

| | | | | | | | | | |
|---|-----------------|------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Liability Due Within One Year | 55.5 | 55.5 | 4.5 | 0.1 | 6.1 | 5.3 | 2.9 | 2.8 | 10.2 |
| Total Obligations Under Finance Leases | <u>\$ 289.0</u> | | <u>\$ 28.5</u> | <u>\$ 0.1</u> | <u>\$ 39.8</u> | <u>\$ 38.7</u> | <u>\$ 12.1</u> | <u>\$ 12.3</u> | <u>\$ 60.8</u> |

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| December 31, 2019 | AEP | AEP Texas | AEPTCo | APCo | I&M | OPCo | PSO | SWEPCo |
|---|-----------------|----------------|---------------|----------------|-----------------|----------------|----------------|----------------|
| | (in millions) | | | | | | | |
| Operating Lease Assets | \$ 957.4 | \$ 81.8 | \$ 3.8 | \$ 78.5 | \$ 294.9 | \$ 88.0 | \$ 36.8 | \$ 40.5 |
| Obligations Under Operating Leases: | | | | | | | | |
| Noncurrent Liability | \$ 734.6 | \$ 71.1 | \$ 1.9 | \$ 64.0 | \$ 211.6 | \$ 76.0 | \$ 31.0 | \$ 34.7 |
| Liability Due Within One Year | 234.1 | 12.0 | 2.1 | 15.2 | 87.3 | 12.5 | 5.8 | 6.5 |
| Total Obligations Under Operating Leases | <u>\$ 968.7</u> | <u>\$ 83.1</u> | <u>\$ 4.0</u> | <u>\$ 79.2</u> | <u>\$ 298.9</u> | <u>\$ 88.5</u> | <u>\$ 36.8</u> | <u>\$ 41.2</u> |

Future minimum lease payments consisted of the following as of December 31, 2019:

| Finance Leases | AEP | AEP Texas | AEPTCo | APCo | I&M | OPCo | PSO | SWEPCo |
|---|-----------------|----------------|-------------|----------------|----------------|----------------|----------------|----------------|
| | (in millions) | | | | | | | |
| 2020 | \$ 72.7 | \$ 7.3 | \$ — | \$ 9.6 | \$ 9.4 | \$ 4.7 | \$ 3.8 | \$ 12.9 |
| 2021 | 64.9 | 6.7 | — | 8.9 | 8.7 | 4.3 | 3.2 | 11.9 |
| 2022 | 56.4 | 6.0 | — | 8.2 | 8.0 | 3.4 | 2.6 | 10.6 |
| 2023 | 49.6 | 5.4 | — | 7.7 | 7.5 | 2.8 | 2.3 | 9.8 |
| 2024 | 57.4 | 4.6 | — | 7.1 | 10.8 | 2.4 | 1.8 | 14.2 |
| Later Years | 64.4 | 9.8 | — | 9.8 | 16.4 | 5.7 | 3.8 | 6.8 |
| Total Future Minimum Lease Payments | <u>365.4</u> | <u>39.8</u> | <u>—</u> | <u>51.3</u> | <u>60.8</u> | <u>23.3</u> | <u>17.5</u> | <u>66.2</u> |
| Less: Imputed Interest | 58.6 | 5.7 | — | 9.5 | 15.7 | 3.2 | 2.4 | 8.6 |
| Estimated Present Value of Future Minimum Lease Payments | <u>\$ 306.8</u> | <u>\$ 34.1</u> | <u>\$ —</u> | <u>\$ 41.8</u> | <u>\$ 45.1</u> | <u>\$ 20.1</u> | <u>\$ 15.1</u> | <u>\$ 57.6</u> |

| Operating Leases | AEP | AEP Texas | AEPTCo | APCo | I&M | OPCo | PSO | SWEPCo |
|---|-----------------|----------------|---------------|----------------|-----------------|----------------|----------------|----------------|
| | (in millions) | | | | | | | |
| 2020 | \$ 269.9 | \$ 16.0 | \$ 2.2 | \$ 18.3 | \$ 97.0 | \$ 16.2 | \$ 7.3 | \$ 8.6 |
| 2021 | 253.6 | 15.3 | 1.2 | 15.7 | 92.9 | 14.2 | 6.4 | 8.2 |
| 2022 | 245.6 | 14.2 | 0.6 | 14.7 | 92.8 | 13.5 | 6.0 | 7.6 |
| 2023 | 74.8 | 13.0 | 0.1 | 11.9 | 10.1 | 12.3 | 5.6 | 6.4 |
| 2024 | 62.0 | 11.4 | — | 9.0 | 8.6 | 10.7 | 4.8 | 5.0 |
| Later Years | 169.7 | 26.0 | — | 20.0 | 21.0 | 36.5 | 12.0 | 11.8 |
| Total Future Minimum Lease Payments | <u>1,075.6</u> | <u>95.9</u> | <u>4.1</u> | <u>89.6</u> | <u>322.4</u> | <u>103.4</u> | <u>42.1</u> | <u>47.6</u> |
| Less: Imputed Interest | 106.9 | 12.8 | 0.1 | 10.4 | 23.5 | 14.9 | 5.3 | 6.4 |
| Estimated Present Value of Future Minimum Lease Payments | <u>\$ 968.7</u> | <u>\$ 83.1</u> | <u>\$ 4.0</u> | <u>\$ 79.2</u> | <u>\$ 298.9</u> | <u>\$ 88.5</u> | <u>\$ 36.8</u> | <u>\$ 41.2</u> |

Future minimum lease payments consisted of the following as of December 31, 2018:

| Finance Leases | AEP | AEP Texas | AEPTCo | APCo | I&M | OPCo | PSO | SWEPCo |
|---|-----------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|
| | (in millions) | | | | | | | |
| 2019 | \$ 70.8 | \$ 5.8 | \$ 0.1 | \$ 9.0 | \$ 8.2 | \$ 3.3 | \$ 3.4 | \$ 13.1 |
| 2020 | 60.2 | 5.3 | — | 8.0 | 7.2 | 2.7 | 2.6 | 11.5 |
| 2021 | 51.7 | 4.7 | — | 7.3 | 6.6 | 2.3 | 2.0 | 10.5 |
| 2022 | 43.8 | 4.2 | — | 6.8 | 6.1 | 1.7 | 1.6 | 9.4 |
| 2023 | 35.5 | 3.7 | — | 6.3 | 5.7 | 1.2 | 1.4 | 8.6 |
| Later Years | 90.2 | 10.1 | — | 13.3 | 21.7 | 2.8 | 3.3 | 18.7 |
| Total Future Minimum Lease Payments | 352.2 | 33.8 | 0.1 | 50.7 | 55.5 | 14.0 | 14.3 | 71.8 |
| Less: Imputed Interest | 63.2 | 5.3 | — | 10.9 | 16.8 | 1.9 | 2.0 | 11.0 |
| Estimated Present Value of Future Minimum Lease Payments | \$ 289.0 | \$ 28.5 | \$ 0.1 | \$ 39.8 | \$ 38.7 | \$ 12.1 | \$ 12.3 | \$ 60.8 |

| Operating Leases | AEP | AEP Texas | AEPTCo | APCo | I&M | OPCo | PSO | SWEPCo |
|--|-------------------|----------------|---------------|----------------|-----------------|----------------|----------------|----------------|
| | (in millions) | | | | | | | |
| 2019 | \$ 259.6 | \$ 15.1 | \$ 2.3 | \$ 17.6 | \$ 92.6 | \$ 14.5 | \$ 6.5 | \$ 7.4 |
| 2020 | 250.1 | 14.1 | 1.8 | 16.5 | 89.3 | 13.2 | 6.0 | 7.2 |
| 2021 | 232.7 | 13.2 | 1.0 | 13.9 | 84.8 | 10.9 | 5.0 | 6.7 |
| 2022 | 222.5 | 12.2 | 0.5 | 12.8 | 83.8 | 10.0 | 4.6 | 6.1 |
| 2023 | 58.3 | 10.8 | 0.1 | 9.9 | 6.5 | 8.8 | 4.1 | 5.0 |
| Later Years | 165.2 | 28.4 | — | 20.5 | 19.5 | 31.7 | 10.7 | 11.7 |
| Total Future Minimum Lease Payments | \$ 1,188.4 | \$ 93.8 | \$ 5.7 | \$ 91.2 | \$ 376.5 | \$ 89.1 | \$ 36.9 | \$ 44.1 |

Master Lease Agreements (Applies to all Registrants except AEPTCo)

The Registrants lease certain equipment under master lease agreements. Under the lease agreements, the lessor is guaranteed a residual value up to a stated percentage of the equipment cost at the end of the lease term. If the actual fair value of the leased equipment is below the guaranteed residual value at the end of the lease term, the Registrants are committed to pay the difference between the actual fair value and the residual value guarantee. Historically, at the end of the lease term the fair value has been in excess of the amount guaranteed. As of December 31, 2019, the maximum potential loss by the Registrants for these lease agreements assuming the fair value of the equipment is zero at the end of the lease term was as follows:

| Company | Maximum Potential Loss (in millions) |
|-----------|--|
| AEP | \$ 47.3 |
| AEP Texas | 11.3 |
| APCo | 6.6 |
| I&M | 4.1 |
| OPCo | 7.3 |
| PSO | 4.2 |
| SWEPCo | 4.8 |

Rockport Lease (Applies to AEP and I&M)

AEGCo and I&M entered into a sale-and-leaseback transaction in 1989 with Wilmington Trust Company (Owner Trustee), an unrelated, unconsolidated trustee for Rockport Plant, Unit 2 (the Plant). The Owner Trustee was capitalized with equity from six owner participants with no relationship to AEP or any of its subsidiaries and debt from a syndicate of banks and securities in a private placement to certain institutional investors. In the first quarter of 2019, in accordance with ASU 2016-02, the \$37 million unamortized gain (\$15 million related to I&M) associated with the sale-and-leaseback of the Plant was recognized as an adjustment to equity. The adjustment to equity was then reclassified to regulatory liabilities in accordance with accounting guidance for “Regulated Operations” as AEGCo and I&M will continue to provide the benefit of the unamortized gain to customers in future periods.

The Owner Trustee owns the Plant and leases equal portions to AEGCo and I&M. The lease is accounted for as an operating lease with the payment obligations included in the future minimum lease payments schedule earlier in this note. The lease term is for 33 years and at the end of the lease term, AEGCo and I&M have the option to renew the lease at a rate that approximates fair value. The option to renew was not included in the measurement of the lease obligation as of December 31, 2019 as the execution of the option was not reasonably certain. AEP, AEGCo and I&M have no ownership interest in the Owner Trustee and do not guarantee its debt. The future minimum lease payments for this sale-and-leaseback transaction as of December 31, 2019 were as follows:

| Future Minimum Lease Payments | AEP (a) | I&M |
|--|-----------------|-----------------|
| | (in millions) | |
| 2020 | \$ 147.8 | \$ 73.9 |
| 2021 | 147.8 | 73.9 |
| 2022 | 147.5 | 73.7 |
| Total Future Minimum Lease Payments | \$ 443.1 | \$ 221.5 |

(a) AEP’s future minimum lease payments include equal shares from AEGCo and I&M.

AEPRO Boat and Barge Leases (Applies to AEP)

In 2015, AEP sold its commercial barge transportation subsidiary, AEPRO, to a nonaffiliated party. Certain boat and barge leases acquired by the nonaffiliated party are subject to an AEP guarantee in favor of the respective lessors, ensuring future payments under such leases with maturities up to 2027. As of December 31, 2019, the maximum potential amount of future payments required under the guaranteed leases was \$55 million. Under the terms of certain of the arrangements, upon the lessors exercising their rights after an event of default by the nonaffiliated party, AEP is entitled to enter into new lease arrangements as a lessee that would have substantially the same terms as the existing leases. Alternatively, for the arrangements with one of the lessors, upon an event of default by the nonaffiliated party and the lessor exercising its rights, payment to the lessor would allow AEP to step into the lessor’s rights as well as obtaining title to the assets. Under either situation, AEP would have the ability to utilize the assets in the normal course of barging operations. AEP would also have the right to sell the acquired assets for which it obtained title. As of December 31, 2019, AEP’s boat and barge lease guarantee liability was \$5 million, of which \$2 million was recorded in Other Current Liabilities and \$3 million was recorded in Deferred Credits and Other Noncurrent Liabilities on AEP’s balance sheet.

In February 2020, the nonaffiliated party filed Chapter 11 bankruptcy. The party entered into a restructuring support agreement and has announced it expects to continue their operations as normal. Management has determined that it is reasonably possible that enforcement of AEP’s liability for future payments under these leases will be exercised within the next twelve months. In such an event, if AEP is unable to sell or incorporate any of the acquired assets into its fleet operations, it could reduce future net income and cash flows and impact financial condition.

Lessor Activity

The Registrants’ lessor activity was immaterial as of and for the twelve months ended December 31, 2019.

14. FINANCING ACTIVITIES

The disclosures in this note apply to all Registrants, unless indicated otherwise.

Common Stock (Applies to AEP)

The following table is a reconciliation of common stock share activity:

| Shares of AEP Common Stock | Issued | Held in Treasury |
|-----------------------------------|---------------|-------------------------|
| Balance, December 31, 2016 | 512,048,520 | 20,336,592 |
| Issued | 162,124 | — |
| Treasury Stock Reissued | — | (131,546) (a) |
| Balance, December 31, 2017 | 512,210,644 | 20,205,046 |
| Issued | 1,239,392 | — |
| Treasury Stock Reissued | — | (886) (a) |
| Balance, December 31, 2018 | 513,450,036 | 20,204,160 |
| Issued | 923,595 | — |
| Balance, December 31, 2019 | 514,373,631 | 20,204,160 |

(a) Reissued Treasury Stock used to fulfill share commitments related to AEP's Share-based Compensation. See "Share-based Compensation Plans" section of Note 15 for additional information

Long-term Debt

The following table details long-term debt outstanding:

| Company | Maturity | Weighted-Average | Interest Rate Ranges as of | | Outstanding as of | |
|---|---------------|--|----------------------------|---------------|--------------------|--------------------|
| | | Interest Rate as of December 31, 2019 | December 31, | | December 31, | |
| | | | 2019 | 2018 | 2019 | 2018 |
| AEP | | | | | | |
| (in millions) | | | | | | |
| Senior Unsecured Notes | 2019-2050 | 4.29% | 2.15%-8.13% | 2.15%-8.13% | \$ 21,180.7 | \$ 18,903.3 |
| Pollution Control Bonds (a) | 2019-2038 (b) | 2.75% | 1.35%-5.38% | 1.60%-6.30% | 1,998.8 | 1,643.8 |
| Notes Payable – Nonaffiliated (c) | 2019-2032 | 3.27% | 2.42%-6.37% | 3.20%-6.37% | 234.3 | 204.7 |
| Securitization Bonds | 2019-2029 (d) | 3.23% | 1.98%-5.31% | 1.98%-5.31% | 1,025.1 | 1,111.4 |
| Spent Nuclear Fuel Obligation (e) | | | | | 279.8 | 273.6 |
| Junior Subordinated Notes (f) | 2022 | 3.40% | 3.40% | | 787.8 | — |
| Other Long-term Debt | 2019-2059 | 3.03% | 1.15%-13.718% | 1.15%-13.718% | 1,219.0 | 1,209.9 |
| Total Long-term Debt Outstanding | | | | | \$ 26,725.5 | \$ 23,346.7 |
| AEP Texas | | | | | | |
| Senior Unsecured Notes | 2019-2050 | 4.01% | 2.40%-6.76% | 2.40%-6.76% | \$ 3,090.9 | \$ 2,398.4 |
| Pollution Control Bonds | 2020-2030 | 3.63% | 1.75%-4.55% | 1.75%-6.30% | 490.3 | 490.9 |
| Securitization Bonds | 2020-2029 (d) | 3.25% | 1.98%-5.31% | 1.98%-5.31% | 776.8 | 791.2 |
| Other Long-term Debt | 2019-2059 | 3.06% | 3.05%-4.50% | 3.94%-4.50% | 200.4 | 200.8 |
| Total Long-term Debt Outstanding | | | | | \$ 4,558.4 | \$ 3,881.3 |
| AEPTCo | | | | | | |
| Senior Unsecured Notes | 2019-2049 | 3.86% | 3.10%-5.52% | 2.68%-5.52% | \$ 3,427.3 | \$ 2,823.0 |
| Total Long-term Debt Outstanding | | | | | \$ 3,427.3 | \$ 2,823.0 |
| APCo | | | | | | |
| Senior Unsecured Notes | 2021-2049 | 5.12% | 3.30%-7.00% | 3.30%-7.00% | \$ 3,442.7 | \$ 3,047.3 |
| Pollution Control Bonds (a) | 2019-2038 (b) | 2.64% | 1.67%-5.38% | 1.70%-5.38% | 546.1 | 616.0 |
| Securitization Bonds | 2023-2028 (d) | 3.17% | 2.008%-3.772% | 2.008%-3.772% | 248.3 | 272.3 |
| Other Long-term Debt | 2019-2026 | 3.14% | 2.97%-13.718% | 3.74%-13.718% | 126.7 | 127.0 |
| Total Long-term Debt Outstanding | | | | | \$ 4,363.8 | \$ 4,062.6 |
| I&M | | | | | | |
| Senior Unsecured Notes | 2023-2048 | 4.38% | 3.20%-6.05% | 3.20%-6.05% | \$ 2,150.7 | \$ 2,149.0 |
| Pollution Control Bonds (a) | 2019-2025 (b) | 2.55% | 1.79%-3.05% | 1.81%-3.05% | 240.0 | 264.5 |
| Notes Payable – Nonaffiliated (c) | 2019-2024 | 2.49% | 2.42%-2.80% | 3.20%-3.38% | 168.7 | 135.8 |
| Spent Nuclear Fuel Obligation (e) | | | | | 279.8 | 273.6 |
| Other Long-term Debt | 2021-2025 | 3.09% | 2.93%-6.00% | 3.66%-6.00% | 211.0 | 212.5 |
| Total Long-term Debt Outstanding | | | | | \$ 3,050.2 | \$ 3,035.4 |
| OPCo | | | | | | |
| Senior Unsecured Notes | 2021-2049 | 5.20% | 4.00%-6.60% | 4.15%-6.60% | \$ 2,081.0 | \$ 1,635.5 |
| Pollution Control Bonds | 2038 | | | 5.80% | — | 32.3 |
| Securitization Bonds | 2019 (d) | | | 2.049% | — | 47.8 |
| Other Long-term Debt | 2028 | 1.15% | 1.15% | 1.15% | 1.0 | 1.0 |
| Total Long-term Debt Outstanding | | | | | \$ 2,082.0 | \$ 1,716.6 |
| PSO | | | | | | |
| Senior Unsecured Notes | 2019-2049 | 4.55% | 3.05%-6.625% | 3.05%-6.625% | \$ 1,245.6 | \$ 1,144.9 |
| Pollution Control Bonds | 2020 | 4.45% | 4.45% | 4.45% | 12.7 | 12.6 |
| Other Long-term Debt | 2019-2027 | 3.19% | 3.00%-3.20% | 3.00%-3.72% | 127.9 | 129.5 |
| Total Long-term Debt Outstanding | | | | | \$ 1,386.2 | \$ 1,287.0 |
| SWEPCo | | | | | | |
| Senior Unsecured Notes | 2022-2048 | 4.04% | 2.75%-6.20% | 2.75%-6.20% | \$ 2,428.9 | \$ 2,427.0 |
| Pollution Control Bonds | 2019 | | | 1.60% | — | 53.5 |

| | | | | | | |
|---|-----------|-------|-------------|-------------|-------------------|-------------------|
| Notes Payable – Nonaffiliated (c) | 2024-2032 | 5.26% | 4.58%-6.37% | 4.58%-6.37% | 65.6 | 68.9 |
| Other Long-term Debt | 2020-2035 | 3.55% | 3.08%-4.68% | 3.75%-4.68% | 161.1 | 164.0 |
| Total Long-term Debt Outstanding | | | | | <u>\$ 2,655.6</u> | <u>\$ 2,713.4</u> |

- (a) For certain series of Pollution Control Bonds, interest rates are subject to periodic adjustment. Certain series may be purchased on demand at periodic interest adjustment dates. Letters of credit from banks and insurance policies support certain series.
- (b) Certain Pollution Control Bonds are subject to redemption earlier than the maturity date. Consequently, these bonds have been classified for maturity purposes as Long-term Debt Due Within One Year - Nonaffiliated on the balance sheets.
- (c) Notes payable represent outstanding promissory notes issued under term loan agreements and credit agreements with a number of banks and other financial institutions. At expiration, all notes then issued and outstanding are due and payable. Interest rates are both fixed and variable. Variable rates generally relate to specified short-term interest rates.
- (d) Dates represent the scheduled final payment dates for the securitization bonds. The legal maturity date is one to two years later. These bonds have been classified for maturity and repayment purposes based on the scheduled final payment date.
- (e) Spent Nuclear Fuel Obligation consists of a liability along with accrued interest for disposal of SNF. See "Spent Nuclear Fuel Disposal" section of Note 6 for additional information.
- (f) See "Equity Units" section below for additional information.

As of December 31, 2019, outstanding long-term debt was payable as follows:

| | AEP | AEP Texas | AEPTCo | APCo | I&M | OPCo | PSO | SWEPCo |
|---|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | (in millions) | | | | | | | |
| 2020 | \$ 1,598.7 | \$ 392.1 | \$ — | \$ 215.6 | \$ 139.7 | \$ 0.1 | \$ 13.2 | \$ 121.2 |
| 2021 | 2,022.7 | 88.7 | 50.0 | 393.0 | 291.5 | 500.1 | 250.5 | 6.2 |
| 2022 | 3,014.6 (a) | 716.0 | 104.0 | 355.4 | 26.8 | 0.1 | 125.5 | 281.2 |
| 2023 | 739.9 | 218.5 | 60.0 | 26.6 | 259.2 | 0.1 | 0.6 | 6.2 |
| 2024 | 706.5 | 96.0 | 95.0 | 113.5 | 4.2 | 0.1 | 0.6 | 31.2 |
| After 2024 | 18,863.1 | 3,081.4 | 3,156.0 | 3,296.9 | 2,355.3 | 1,600.5 | 1,001.4 | 2,231.7 |
| Principal Amount | 26,945.5 | 4,592.7 | 3,465.0 | 4,401.0 | 3,076.7 | 2,101.0 | 1,391.8 | 2,677.7 |
| Unamortized Discount, Net and Debt Issuance Costs | (220.0) | (34.3) | (37.7) | (37.2) | (26.5) | (19.0) | (5.6) | (22.1) |
| Total Long-term Debt Outstanding | \$ 26,725.5 | \$ 4,558.4 | \$ 3,427.3 | \$ 4,363.8 | \$ 3,050.2 | \$ 2,082.0 | \$ 1,386.2 | \$ 2,655.6 |

(a) Amount includes \$805 million of Junior Subordinated Notes. See "Equity Units" section below for additional information.

As of December 31, 2019, trustees held, on behalf of AEP, \$35 million of their reacquired Pollution Control Bonds. Of this total, \$35 million related to OPCo. In January 2020, those Pollution Control Bonds were redeemed.

Long-term Debt Subsequent Events

In January and February 2020, AEP Texas retired \$111 million and \$3 million, respectively, of Securitization Bonds.

In January and February 2020, I&M retired \$8 million and \$5 million, respectively, of Notes Payable related to DCC Fuel.

In January 2020, Transource Energy issued \$4 million of variable rate Other Long-term Debt due in 2023.

In February 2020, APCo retired \$12 million of Securitization Bonds.

Equity Units (Applies to AEP)

In March 2019, AEP issued 16.1 million Equity Units initially in the form of corporate units, at a stated amount of \$50 per unit, for a total stated amount of \$805 million. Net proceeds from the issuance were approximately \$785 million. The proceeds were used to support AEP's overall capital expenditure plans including the acquisition of Semptra Renewables LLC.

Each corporate unit represents a 1/20 undivided beneficial ownership interest in \$1,000 principal amount of AEP's 3.40% Junior Subordinated Notes (notes) due in 2024 and a forward equity purchase contract which settles after three years in 2022. The notes are expected to be remarketed in 2022, at which time the interest rate will reset at the then current market rate. Investors may choose to remarket their notes to receive the remarketing proceeds and use those funds to settle the forward equity purchase contract, or accept the remarketed debt and use other funds for the equity purchase. If the remarketing is unsuccessful, investors have the right to put their notes to AEP at a price equal to the principal. The Equity Units carry an annual distribution rate of 6.125%, which is comprised of a quarterly coupon rate of interest of 3.40% and a quarterly forward equity purchase contract payment of 2.725%.

Each forward equity purchase contract obligates the holder to purchase, and AEP to sell, for \$50 a number of shares in common stock in accordance with the conversion ratios set forth below (subject to an anti-dilution adjustment):

- If the AEP common stock market price is equal to or greater than \$99.58: 0.5021 shares per contract.
- If the AEP common stock market price is less than \$99.58 but greater than \$82.98: a number of shares per contract equal to \$50 divided by the applicable market price. The holder receives a variable number of shares at \$50.
- If the AEP common stock market price is less than or equal to \$82.98: 0.6026 shares per contract.

A holder's ownership interest in the notes is pledged to AEP to secure the holder's obligation under the related forward equity purchase contract. If a holder of the forward equity purchase contract chooses at any time to no longer be a holder of the notes, such holder's obligation under the forward equity purchase contract must be secured by a U.S. Treasury security which must be equal to the aggregate principal amount of the notes.

At the time of issuance, the \$805 million of notes were recorded within Long-term Debt on the balance sheets. The present value of the purchase contract payments of \$62 million were recorded in Deferred Credits and Other Noncurrent Liabilities with a current portion in Other Current Liabilities at the time of issuance, representing the obligation to make forward equity contract payments, with an offsetting reduction to Paid-in Capital. The difference between the face value and present value of the purchase contract payments will be accreted to Interest Expense on the statements of income over the three year period ending in 2022. The liability recorded for the contract payments is considered non-cash and excluded from the statements of cash flows. Until settlement of the forward equity purchase contract, earnings per share dilution resulting from the equity unit issuance will be determined under the treasury stock method. The maximum amount of shares AEP will be required to issue to settle the purchase contract is 9,701,860 shares (subject to an anti-dilution adjustment).

Debt Covenants (Applies to AEP and AEPTCo)

Covenants in AEPTCo's note purchase agreements and indenture limit the amount of contractually-defined priority debt (which includes a further sub-limit of \$50 million of secured debt) to 10% of consolidated tangible net assets. AEPTCo's contractually-defined priority debt was 1.6% of consolidated tangible net assets as of December 31, 2019. The method for calculating the consolidated tangible net assets is contractually-defined in the note purchase agreement.

Dividend Restrictions

Utility Subsidiaries' Restrictions

Parent depends on its utility subsidiaries to pay dividends to shareholders. AEP utility subsidiaries pay dividends to Parent provided funds are legally available. Various financing arrangements and regulatory requirements may impose certain restrictions on the ability of the subsidiaries to transfer funds to Parent in the form of dividends.

All of the dividends declared by AEP's utility subsidiaries that provide transmission or local distribution services are subject to a Federal Power Act restriction that prohibits the payment of dividends out of capital accounts without regulatory approval; payment of dividends is allowed out of retained earnings only. The Federal Power Act also creates a reserve on retained earnings attributable to hydroelectric generation plants. Because of their ownership of such plants, this reserve applies to AGR, APCo and I&M.

Certain AEP subsidiaries have credit agreements that contain covenants that limit their debt to capitalization ratio to 67.5%. The method for calculating outstanding debt and capitalization is contractually-defined in the credit agreements.

The most restrictive dividend limitation for certain AEP subsidiaries is through the Federal Power Act restriction, while for other AEP subsidiaries the most restrictive dividend limitation is through the credit agreements. As of December 31, 2019, the maximum amount of restricted net assets of AEP's subsidiaries that may not be distributed to the Parent in the form of a loan, advance or dividend was \$13.2 billion.

The Federal Power Act restriction limits the ability of the AEP subsidiaries owning hydroelectric generation to pay dividends out of retained earnings. Additionally, the credit agreement covenant restrictions can limit the ability of the AEP subsidiaries to pay dividends out of retained earnings. As of December 31, 2019, the amount of any such restrictions were as follows:

| | AEP | AEP Texas | AEPTCo | APCo | I&M | OPCo | PSO | SWEPCo |
|-------------------------------------|----------------|-----------|--------|---------|----------|------|----------|----------|
| | (in millions) | | | | | | | |
| Restricted Retained Earnings | \$ 1,741.4 (a) | \$ 385.0 | \$ — | \$ 26.3 | \$ 524.5 | \$ — | \$ 153.0 | \$ 534.5 |

(a) Includes the restrictions of consolidated and non-consolidated subsidiaries.

Parent Restrictions (Applies to AEP)

The holders of AEP's common stock are entitled to receive the dividends declared by the Board of Directors provided funds are legally available for such dividends. Parent's income primarily derives from common stock equity in the earnings of its utility subsidiaries.

Pursuant to the leverage restrictions in credit agreements, AEP must maintain a percentage of debt to total capitalization at a level that does not exceed 67.5%. The method for calculating outstanding debt and capitalization is contractually-defined in the credit agreements. As of December 31, 2019, AEP had \$7.2 billion of available retained earnings to pay dividends to common shareholders. AEP paid \$1.3 billion, \$1.3 billion and \$1.2 billion of dividends to common shareholders for the years ended December 31, 2019, 2018 and 2017, respectively.

Lines of Credit and Short-term Debt (Applies to AEP and SWEPCo)

AEP uses its commercial paper program to meet the short-term borrowing needs of its subsidiaries. The program funds a Utility Money Pool, which funds AEP's utility subsidiaries; a Nonutility Money Pool, which funds certain AEP nonutility subsidiaries; and the short-term debt requirements of subsidiaries that are not participating in either money pool for regulatory or operational reasons, as direct borrowers. As of December 31, 2019, AEP had a \$4 billion revolving credit facility to support its commercial paper program. The commercial paper program for the year ended 2019, had a weighted-average interest rate of 2.51% and a maximum amount outstanding of \$2.2 billion. AEP's outstanding short-term debt was as follows:

| Company | Type of Debt | December 31, | | | |
|---------|--------------------------------------|--------------------|-------------------|--------------------|-------------------|
| | | 2019 | | 2018 | |
| | | Outstanding Amount | Interest Rate (a) | Outstanding Amount | Interest Rate (a) |
| | | (in millions) | | (in millions) | |
| AEP | Securitized Debt for Receivables (b) | \$ 710.0 | 2.42% | \$ 750.0 | 2.16% |
| AEP | Commercial Paper | 2,110.0 | 2.10% | 1,160.0 | 2.96% |
| SWEPCo | Notes Payable | 18.3 | 3.29% | — | —% |
| | Total Short-term Debt | \$ 2,838.3 | | \$ 1,910.0 | |

(a) Weighted-average rate

(b) Amount of securitized debt for receivables as accounted for under the "Transfers and Servicing" accounting guidance

Corporate Borrowing Program – AEP System (Applies to Registrant Subsidiaries)

The AEP System uses a corporate borrowing program to meet the short-term borrowing needs of AEP's subsidiaries. The corporate borrowing program includes a Utility Money Pool, which funds AEP's utility subsidiaries; a Nonutility Money Pool, which funds certain AEP nonutility subsidiaries; and direct borrowing from AEP. The AEP System Utility Money Pool operates in accordance with the terms and conditions of its agreement filed with the FERC. The amounts of outstanding loans to (borrowings from) the Utility Money Pool as of December 31, 2019 and 2018 are included in Advances to Affiliates and Advances from Affiliates, respectively, on the Registrant Subsidiaries' balance sheets. The Utility Money Pool participants' money pool activity and corresponding authorized borrowing limits are described in the following tables:

Year Ended December 31, 2019:

| Company | Maximum Borrowings from the Utility Money Pool | Maximum Loans to the Utility Money Pool | Average Borrowings from the Utility Money Pool | Average Loans to the Utility Money Pool | Net Loans to (Borrowings from) the Utility Money Pool as of December 31, 2019 | Authorized Short-term Borrowing Limit |
|---------------|--|---|--|---|---|---------------------------------------|
| (in millions) | | | | | | |
| AEP Texas | \$ 390.7 | \$ 213.1 | \$ 239.3 | \$ 194.4 | \$ 199.7 | \$ 500.0 |
| AEPTCo | 374.9 | 244.4 | 152.0 | 52.8 | (119.0) | 795.0 (a) |
| APCo | 270.0 | 232.2 | 115.9 | 51.9 | (214.6) | 500.0 |
| I&M | 158.8 | 66.0 | 71.5 | 16.2 | (101.2) | 500.0 |
| OPCo | 291.2 | 178.6 | 129.2 | 50.1 | (131.0) | 500.0 |
| PSO | 140.5 | 215.6 | 63.9 | 98.3 | 38.8 | 300.0 |
| SWEPCo | 105.1 | 81.4 | 53.3 | 13.6 | (59.9) | 350.0 |

Year Ended December 31, 2018:

| Company | Maximum Borrowings from the Utility Money Pool | Maximum Loans to the Utility Money Pool | Average Borrowings from the Utility Money Pool | Average Loans to the Utility Money Pool | Net Loans to (Borrowings from) the Utility Money Pool as of December 31, 2018 | Authorized Short-term Borrowing Limit |
|---------------|--|---|--|---|---|---------------------------------------|
| (in millions) | | | | | | |
| AEP Texas | \$ 390.6 | \$ 106.9 | \$ 176.0 | \$ 47.1 | \$ (216.0) | \$ 500.0 |
| AEPTCo | 371.3 | 276.4 | 177.9 | 58.4 | 35.8 | 795.0 (a) |
| APCo | 295.5 | 23.7 | 175.3 | 23.3 | (182.6) | 600.0 |
| I&M | 322.1 | 657.8 | 255.5 | 110.7 | 11.6 | 500.0 |
| OPCo | 270.8 | 225.0 | 167.8 | 189.4 | (114.1) | 500.0 |
| PSO | 193.7 | 31.8 | 104.5 | 12.9 | (105.5) | 300.0 |
| SWEPCo | 200.1 | 533.7 | 143.2 | 268.1 | 81.4 | 350.0 |

(a) Amount represents the combined authorized short-term borrowing limit the State Transcos have from FERC or state regulatory commissions

The activity in the above tables does not include short-term lending activity of certain AEP nonutility subsidiaries. AEP Texas' wholly-owned subsidiary, AEP Texas North Generation Company, LLC and SWEPCo's wholly-owned subsidiary, Mutual Energy SWEPCo, LLC participate in the Nonutility Money Pool. The amounts of outstanding loans to the Nonutility Money Pool as of December 31, 2019 and 2018 are included in Advances to Affiliates on each subsidiaries' balance sheets. The Nonutility Money Pool participants' money pool activity is described in the following tables:

Year Ended December 31, 2019:

| Company | Maximum Loans to the Nonutility Money Pool | Average Loans to the Nonutility Money Pool | Loans to the Nonutility Money Pool as of December 31, 2019 |
|---------------|--|--|--|
| (in millions) | | | |
| AEP Texas | \$ 80 | \$ 77 | \$ 75 |
| SWEPCo | 21 | 20 | 21 |

Year Ended December 31, 2018:

| Company | Maximum Loans to the Nonutility Money Pool | Average Loans to the Nonutility Money Pool | Loans to the Nonutility Money Pool as of December 31, 2018 |
|---------------|--|--|--|
| (in millions) | | | |
| AEP Texas | \$ 84 | \$ 81 | \$ 80 |
| SWEPCo | 20 | 20 | 20 |

AEP has a direct financing relationship with AEPTCo to meet its short-term borrowing needs. The amounts of outstanding loans to and borrowings from AEP as of December 31, 2019 and 2018 are included in Advances to Affiliates and Advances from Affiliates, respectively, on AEPTCo's balance sheets. AEPTCo's direct financing activities with AEP and corresponding authorized borrowing limits are described in the following tables:

Year Ended December 31, 2019:

| Maximum Borrowings from AEP | Maximum Loans to AEP | Average Borrowings from AEP | Average Loans to AEP | Borrowings from AEP as of December 31, 2019 | Loans to AEP as of December 31, 2019 | Authorized Short-term Borrowing Limit |
|-----------------------------------|----------------------------|-----------------------------------|----------------------------|---|--|---|
| (in millions) | | | | | | |
| \$ 13 | \$ 153.5 | \$ 13 | \$ 68.0 | \$ 1.3 | \$ 68.7 | \$ 75.0 (a) |

Year Ended December 31, 2018:

| Maximum Borrowings from AEP | Maximum Loans to AEP | Average Borrowings from AEP | Average Loans to AEP | Borrowings from AEP as of December 31, 2018 | Loans to AEP as of December 31, 2018 | Authorized Short-term Borrowing Limit |
|-----------------------------------|----------------------------|-----------------------------------|----------------------------|---|--|---|
| (in millions) | | | | | | |
| \$ 12 | \$ 104.7 | \$ 11 | \$ 49.8 | \$ 1.2 | \$ 16.9 | \$ 75.0 (a) |

(a) Amount represents the combined authorized short-term borrowing limit the State Transcos have from FERC or state regulatory commissions.

The maximum and minimum interest rates for funds either borrowed from or loaned to the Utility Money Pool are summarized in the following table:

| | Years Ended December 31, | | |
|-----------------------|--------------------------|-------|-------|
| | 2019 | 2018 | 2017 |
| Maximum Interest Rate | 3.43% | 2.97% | 1.85% |
| Minimum Interest Rate | 1.77% | 1.81% | 0.92% |

The average interest rates for funds borrowed from and loaned to the Utility Money Pool are summarized in the following table.

| Company | Average Interest Rate for Funds Borrowed from the Utility Money Pool for the Years Ended December 31, | | | Average Interest Rate for Funds Loaned to the Utility Money Pool for the Years Ended December 31, | | |
|-----------|---|-------|-------|---|-------|-------|
| | 2019 | 2018 | 2017 | 2019 | 2018 | 2017 |
| AEP Texas | 2.63% | 2.26% | 1.29% | 2.03% | 2.29% | 1.26% |
| AEPTCo | 2.64% | 2.27% | 1.36% | 2.41% | 2.10% | 1.27% |
| APCo | 2.45% | 2.26% | 1.28% | 2.66% | 2.21% | 1.29% |
| I&M | 2.34% | 2.16% | 1.27% | 2.60% | 2.08% | 1.29% |
| OPCo | 2.67% | 2.18% | 1.37% | 2.68% | 2.47% | 0.98% |
| PSO | 2.85% | 2.27% | 1.32% | 2.27% | 1.98% | —% |
| SWEPCo | 2.72% | 2.31% | 1.28% | 2.22% | 2.00% | 0.98% |

Maximum, minimum and average interest rates for funds either borrowed from or loaned to the Nonutility Money Pool are summarized in the following table.

| Year Ended December 31, | Company | Maximum Interest Rate for Funds Loaned to the Nonutility Money Pool | Minimum Interest Rate for Funds Loaned to the Nonutility Money Pool | Average Interest Rate for Funds Loaned to the Nonutility Money Pool |
|----------------------------|-----------|---|---|---|
| 2019 | AEP Texas | 3.02% | 1.91% | 2.56% |
| 2019 | SWEPCo | 3.02% | 1.91% | 2.55% |
| 2018 | AEP Texas | 2.97% | 1.83% | 2.36% |
| 2018 | SWEPCo | 2.97% | 1.83% | 2.36% |
| 2017 | AEP Texas | 1.85% | —% | 1.32% |
| 2017 | SWEPCo | 1.85% | —% | 1.32% |

AEPTCo's maximum, minimum and average interest rates for funds either borrowed from or loaned to AEP are summarized in the following table:

| Year Ended December 31, | Maximum Interest Rate for Funds Borrowed from AEP | Minimum Interest Rate for Funds Borrowed from AEP | Maximum Interest Rate for Funds Loaned to AEP | Minimum Interest Rate for Funds Loaned to AEP | Average Interest Rate for Funds Borrowed from AEP | Average Interest Rate for Funds Loaned to AEP |
|----------------------------|---|---|---|---|---|---|
| 2019 | 3.02% | 1.91% | 3.02% | 1.91% | 2.55% | 2.51% |
| 2018 | 2.97% | 1.76% | 2.97% | 1.76% | 2.36% | 2.36% |
| 2017 | 1.85% | 0.92% | 1.85% | 0.92% | 1.33% | 1.36% |

Interest expense and interest income related to the Utility Money Pool, Nonutility Money Pool and direct borrowing financing relationship are included in Interest Expense and Interest Income, respectively, on each of the Registrant Subsidiaries' statements of income. The interest expense and interest income related to the corporate borrowing programs were immaterial for the years ended December 31, 2019, 2018 and 2017.

Credit Facilities

See "Letters of Credit" section of Note 6 for additional information.

Securitized Accounts Receivables – AEP Credit (Applies to AEP)

AEP Credit has a receivables securitization agreement that provides a commitment of \$750 million from bank conduits to purchase receivables and expires in July 2021. Under the securitization agreement, AEP Credit receives financing from the bank conduits for the interest in the receivables AEP Credit acquires from affiliated utility subsidiaries. These securitized transactions allow AEP Credit to repay its outstanding debt obligations, continue to purchase the operating companies' receivables and accelerate AEP Credit's cash collections.

Accounts receivable information for AEP Credit was as follows

| | Years Ended December 31, | | |
|---|--------------------------|---------|---------|
| | 2019 | 2018 | 2017 |
| | (dollars in millions) | | |
| Effective Interest Rates on Securitization of Accounts Receivable | 2.42% | 2.16% | 1.22% |
| Net Uncollectible Accounts Receivable Written Off | \$ 26.6 | \$ 27.6 | \$ 23.4 |

| | December 31, | |
|---|---------------|----------|
| | 2019 | 2018 |
| | (in millions) | |
| Accounts Receivable Retained Interest and Pledged as Collateral Less Uncollectible Accounts | \$ 841.8 | \$ 972.5 |
| Short-term – Securitized Debt of Receivables | 710.0 | 750.0 |
| Delinquent Securitized Accounts Receivable | 39.6 | 50.3 |
| Bad Debt Reserves Related to Securitization | 32.1 | 27.5 |
| Unbilled Receivables Related to Securitization | 266.8 | 281.4 |

AEP Credit's delinquent customer accounts receivable represent accounts greater than 30 days past due.

Securitized Accounts Receivables – AEP Credit (Applies to Registrant Subsidiaries, except AEPTCo and AEP Texas)

Under this sale of receivables arrangement, the Registrant Subsidiaries sell, without recourse, certain of their customer accounts receivable and accrued unbilled revenue balances to AEP Credit and are charged a fee based on AEP Credit's financing costs, administrative costs and uncollectible accounts experience for each Registrant Subsidiary's receivables. APCo does not have regulatory authority to sell its West Virginia accounts receivable. The costs of customer accounts receivable sold are reported in Other Operation expense on the Registrant Subsidiaries' statements of income. The Registrant Subsidiaries manage and service their customer accounts receivable, which are sold to AEP Credit. AEP Credit securitizes the eligible receivables for the operating companies and retains the remainder.

The amount of accounts receivable and accrued unbilled revenues under the sale of receivables agreement were:

| Company | December 31, | |
|---------|---------------|----------|
| | 2019 | 2018 |
| | (in millions) | |
| APCo | \$ 120.9 | \$ 133.3 |
| I&M | 141.8 | 152.9 |
| OPCo | 330.3 | 395.2 |
| PSO | 101.1 | 109.7 |
| SWEPCo | 125.2 | 150.3 |

The fees paid to AEP Credit for customer accounts receivable sold were:

| Company | Years Ended December 31, | | |
|---------|--------------------------|--------|--------|
| | 2019 | 2018 | 2017 |
| | (in millions) | | |
| APCo | \$ 7.4 | \$ 7.0 | \$ 5.6 |
| I&M | 11.1 | 9.2 | 6.7 |
| OPCo | 27.1 | 26.3 | 21.7 |
| PSO | 7.8 | 7.9 | 7.0 |
| SWEPCo | 10.2 | 8.9 | 7.2 |

The proceeds on the sale of receivables to AEP Credit were

| Company | Years Ended December 31, | | |
|---------|--------------------------|------------|------------|
| | 2019 | 2018 | 2017 |
| | (in millions) | | |
| APCo | \$ 1,310.3 | \$ 1,421.0 | \$ 1,372.8 |
| I&M | 1,824.2 | 1,843.0 | 1,612.9 |

| | | | |
|--------|---------|---------|---------|
| OPCo | 2,293.6 | 2,674.5 | 2,339.0 |
| PSO | 1,442.5 | 1,484.6 | 1,337.0 |
| SWEPCo | 1,618.5 | 1,736.1 | 1,563.4 |

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15. STOCK-BASED COMPENSATION

The disclosures in this note apply to AEP only. The impact of AEP's share-based compensation plans is insignificant to the financial statements of the Registrant Subsidiaries.

Awards under AEP's long-term incentive plan may be granted to employees and directors. The Amended and Restated American Electric Power System Long-Term Incentive Plan (the "Prior Plan"), was replaced prospectively for new grants by the American Electric Power System 2015 Long-Term Incentive Plan (the "2015 LTIP") effective in April 2015. The 2015 LTIP was subsequently amended in September 2016. The 2015 LTIP provides for a maximum of 10 million AEP common shares to be available for grant to eligible employees and directors. As of December 31, 2019, 7,667,992 shares remained available for issuance under the 2015 LTIP. No new awards may be granted under the Prior Plan. The 2015 LTIP awards may be stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units, cash-based awards and other stock-based awards. Shares issued pursuant to a stock option or a stock appreciation right reduce the shares remaining available for grants under the 2015 LTIP by 0.286 of a share. Shares issued for any other awards that settles in AEP stock reduce the shares remaining available for grants under the 2015 LTIP by one share. Cash settled awards do not reduce the number of shares remaining available under the 2015 LTIP. The following sections provide further information regarding each type of stock-based compensation award granted under these plans.

Performance Shares

Performance units granted prior to 2017 were settled in cash rather than AEP common stock and did not reduce the number of shares remaining available under the 2015 LTIP. Those performance units had a fair value upon vesting equal to the average closing market price of AEP common stock for the last 20 trading days of the performance period. Performance shares granted in and after 2017 are settled in AEP common stock and will reduce the aggregate share authorization. In all cases the number of performance shares held at the end of the three-year performance period is multiplied by the performance score for such period to determine the actual number of performance shares that participants realize. The performance score can range from 0% to 200% and is determined at the end of the performance period based on performance measures, which include both performance and market conditions, established for each grant at the beginning of the performance period by the Human Resources Committee of AEP's Board of Directors (HR Committee).

Certain employees must satisfy a minimum stock ownership requirement. If those employees have not met their stock ownership requirement, a portion or all of their performance shares are mandatorily deferred as AEP career shares to the extent needed to meet their stock ownership requirement. AEP career shares are a form of non-qualified deferred compensation that has a value equivalent to a share of AEP common stock. AEP career shares are settled in AEP common stock after the participant's termination of employment.

AEP career shares are recorded in Paid-in Capital on the balance sheets. Amounts equivalent to cash dividends on both performance shares and AEP career shares accrue as additional shares. Management records compensation cost for performance shares over an approximately three-year vesting period. The liability for the pre-2017 performance units was recorded in Employee Benefits and Pension Obligations on the balance sheets and was adjusted for changes in value. Performance shares are recorded as mezzanine equity on the balance sheets and compensation cost is calculated at fair value using two equally weighted metrics. The first metric is a total shareholder return measure, which is valued based on a third-party Monte Carlo valuation. The value related to this metric does not change over the three-year vesting period. The second metric is a three-year cumulative earnings per share metric which is adjusted quarterly for changes in performance relative to a target approved by the HR Committee.

The HR Committee awarded performance shares and reinvested dividends on outstanding performance shares and AEP career shares as follows:

| Performance Shares | Years Ended December 31, | | |
|---|--------------------------|----------|----------|
| | 2019 | 2018 | 2017 |
| Awarded Shares (in thousands) | 535.0 | 581.4 | 590.7 |
| Weighted Average Share Fair Value at Grant Date | \$ 83.21 | \$ 67.21 | \$ 69.78 |
| Vesting Period (in years) | 3 | 3 | 3 |

| Performance Shares and AEP Career Shares (Reinvested Dividends Portion) | Years Ended December 31, | | |
|--|--------------------------|----------|----------|
| | 2019 | 2018 | 2017 |
| Awarded Shares (in thousands) (a) | 66.4 | 80.2 | 74.6 |
| Weighted Average Fair Value at Grant Date | \$ 88.73 | \$ 70.58 | \$ 72.35 |
| Vesting Period (in years) | (b) | (b) | (b) |

- (a) All awarded dividends in 2019 were equity awards and awarded dividends in both 2018 and 2017 were a mix of equity awards and liability awards.
- (b) The vesting period for the reinvested dividends on performance shares is equal to the remaining life of the related performance shares. Dividends on AEP career shares vest immediately when the dividend is awarded but are not settled in AEP common stock until after the participant's AEP employment ends.

Performance scores and final awards are determined and approved by the HR Committee in accordance with the pre-established performance measures within approximately two months after the end of the performance period. The performance scores for all performance periods were dependent on two equally-weighted performance measures: (a) three-year total shareholder return measured relative to a peer group of similar companies and (b) three-year cumulative earnings per share measured relative to a target approved by the HR Committee.

The certified performance scores and shares earned for the three-year periods were as follows:

| Performance Shares | Years Ended December 31, | | |
|--|--------------------------|---------|---------|
| | 2019 | 2018 | 2017 |
| Certified Performance Score | 132.7% | 136.7% | 164.8% |
| Performance Shares Earned | 792,897 | 820,780 | 956,055 |
| Performance Shares Mandatorily Deferred as AEP Career Shares | 10,063 | 11,248 | 20,213 |
| Performance Shares Voluntarily Deferred into the Incentive Compensation Deferral Program | 49,392 | 56,826 | 47,177 |
| Performance Shares to be Settled (a) | 733,442 | 752,706 | 888,665 |

- (a) Performance shares settled for the three-year period ended December 31, 2019 settled in AEP common stock. Performance units settled for the three-year period ended December 31, 2018 and 2017 settled in cash.

The settlements were as follows:

| Performance Units and AEP Career Shares | Years Ended December 31, | | |
|---|--------------------------|---------|---------|
| | 2019 | 2018 | 2017 |
| | (in millions) | | |
| Cash Settlements for Performance Units | \$ 58.3 | \$ 66.9 | \$ 64.9 |
| AEP Common Stock Settlements for Career Share Distributions | 6.6 | 5.1 | 0.4 |

A summary of the status of AEP's nonvested Performance Shares as of December 31, 2019 and changes during the year ended December 31, 2019 were as follows:

| Nonvested Performance Shares | Shares (in thousands) | Weighted Average Grant Date Fair Value |
|-----------------------------------|--------------------------|---|
| Nonvested as of January 1, 2019 | 1,171.3 | \$ 66.01 |
| Granted | 582.5 | 80.30 |
| Vested (a) | (597.5) | 65.42 |
| Forfeited | (42.9) | 70.32 |
| Nonvested as of December 31, 2019 | 1,113.4 | 73.64 |

- (a) The vested Performance Shares will be converted to 733 thousand shares based on the closing share price on the day before settlement.

Monte Carlo Valuation

AEP engages a third-party for a Monte Carlo valuation to calculate half of the fair value for the performance shares awarded during and after 2017. The valuations use a lattice model and the expected volatility assumptions used were the historical volatilities for AEP and the members of their peer group. The assumptions used in the Monte Carlo valuations were as follows:

| Monte Carlo Valuation | Years Ended December 31, | | |
|---------------------------------|--------------------------|--------|--------|
| | 2019 | 2018 | 2017 |
| Valuation Period (in years) (a) | 2.87 | 2.87 | 2.86 |
| Expected Volatility Minimum | 14.83% | 14.77% | 15.65% |
| Expected Volatility Maximum | 25.57% | 26.72% | 27.19% |
| Expected Volatility Average | 17.39% | 17.90% | 19.07% |
| Dividend Rate (b) | —% | —% | —% |
| Risk Free Rate | 2.49% | 2.34% | 1.44% |

- (a) Period from award date to vesting date.
(b) Equivalent to reinvesting dividends.

Restricted Stock Units

The HR Committee grants restricted stock units (RSUs), which generally vest, subject to the participant's continued employment, over at least three years in approximately equal annual increments. The RSUs accrue dividends as additional RSUs. The additional RSUs granted as dividends vest on the same date as the underlying RSUs. RSUs are converted into shares of AEP common stock upon vesting, except the RSUs granted prior to 2017 to AEP's executive officers which settled in cash. Executive officers are those officers who are subject to the disclosure requirements set forth in Section 16 of the Securities Exchange Act of 1934. For RSUs that settle in shares, compensation cost is measured at fair value on the grant date and recorded over the vesting period. Fair value is determined by multiplying the number of RSUs granted by the grant date market closing price. For RSUs that settled in cash, compensation cost is recorded over the vesting period and adjusted for changes in fair value until vested. The fair value at vesting was determined by multiplying the number of RSUs vested by the 20-day average closing price of AEP common stock. The maximum contractual term of outstanding RSUs is approximately 40 months from the grant date.

The HR Committee awarded RSUs, including additional units awarded as dividends, as follows:

| Restricted Stock Units | Years Ended December 31, | | |
|--|--------------------------|----------|----------|
| | 2019 | 2018 | 2017 |
| Awarded Units (in thousands) | 304.8 | 260.0 | 255.8 |
| Weighted Average Grant Date Fair Value | \$ 81.57 | \$ 67.96 | \$ 65.26 |

The total fair value and total intrinsic value of restricted stock units vested were as follows:

| Restricted Stock Units | Years Ended December 31, | | |
|--|--------------------------|---------|---------|
| | 2019 | 2018 | 2017 |
| | (in millions) | | |
| Fair Value of Restricted Stock Units Vested | \$ 16.3 | \$ 16.6 | \$ 16.1 |
| Intrinsic Value of Restricted Stock Units Vested (a) | 21.6 | 19.2 | 20.0 |

(a) Intrinsic value is calculated as market price at exercise date.

A summary of the status of AEP's nonvested RSUs as of December 31, 2019 and changes during the year ended December 31, 2019 were as follows:

| Nonvested Restricted Stock Units | Shares/Units (in thousands) | Weighted Average Grant Date Fair Value |
|-----------------------------------|--------------------------------|---|
| Nonvested as of January 1, 2019 | 489.1 | \$ 66.01 |
| Granted | 304.8 | 81.57 |
| Vested | (253.7) | 64.44 |
| Forfeited | (23.3) | 70.27 |
| Nonvested as of December 31, 2019 | 516.9 | 75.55 |

The total aggregate intrinsic value of nonvested RSUs as of December 31, 2019 was \$49 million and the weighted average remaining contractual life was 1.79 years.

Other Stock-Based Plans

AEP also has a Stock Unit Accumulation Plan for Non-Employee Directors providing each non-employee director with AEP stock units as a substantial portion of their quarterly compensation for their services as a director. The number of stock units provided is based on the closing price of AEP common stock on the last trading day of the quarter for which the stock units were earned. Amounts equivalent to cash dividends on the stock units accrue as additional AEP stock units. The stock units granted to non-employee directors are fully vested on their grant date. Stock units are settled in cash upon termination of board service or up to 10 years later if the participant so elects. Cash settlements for stock units are calculated based on the average closing price of AEP common stock for the last 20 trading days prior to the distribution date. After five years of service on the Board of Directors, non-employee directors receive subsequent AEP stock units as contributions to an AEP stock fund awarded under the Stock Unit Accumulation Plan. Such amounts may be exchanged into other market-based investments that are similar to the investment options available to employees that participate in AEP's Incentive Compensation Deferral Plan.

Management records compensation cost for stock units when the units are awarded and adjusts the liability for changes in value based on the current 20-day average closing price of AEP common stock on the valuation date.

For the years ended December 31, 2019, 2018 and 2017, cash settlements for stock unit distributions were immaterial.

The Board of Directors awarded stock units, including units awarded for dividends, as follows:

| Stock Unit Accumulation Plan for Non-Employee Directors | Years Ended December 31, | | |
|--|---------------------------------|-------------|-------------|
| | 2019 | 2018 | 2017 |
| Awarded Units (in thousands) | 10.0 | 11.4 | 14.8 |
| Weighted Average Grant Date Fair Value | \$ 89.13 | \$ 70.41 | \$ 70.79 |

Share-based Compensation Plans

For share-based payment arrangements the compensation cost, the actual tax benefit from the tax deductions for compensation cost recognized in income and the total compensation cost capitalized were as follows:

| Share-based Compensation Plans | Years Ended December 31, | | |
|--|---------------------------------|-------------|-------------|
| | 2019 | 2018 | 2017 |
| | (in millions) | | |
| Compensation Cost for Share-based Payment Arrangements (a) | \$ 57.9 | \$ 53.2 | \$ 79.5 |
| Actual Tax Benefit (b) | 8.4 | 7.7 | 18.9 |
| Total Compensation Cost Capitalized | 20.0 | 19.7 | 26.4 |

- (a) Compensation cost for share-based payment arrangements is included in Other Operation and Maintenance expenses on the statements of income.
- (b) In December 2017, Tax Reform modified Section 162(m) of the Internal Revenue Code. Beginning after 2017, AEP can generally no longer deduct certain compensation expense in excess of \$1 million for certain named executive officers. This will reduce the tax benefit going forward.

As of December 31, 2019, there was \$73 million of total unrecognized compensation cost related to unvested share-based compensation arrangements granted under the 2015 LTIP. Unrecognized compensation cost related to unvested share-based arrangements will change as the fair value of performance shares are adjusted each period and as forfeitures for all award types are realized. AEP's unrecognized compensation cost will be recognized over a weighted-average period of 1.43 years.

Under the 2015 LTIP, AEP is permitted to use authorized but unissued shares, treasury shares, shares acquired in the open market specifically for distribution under these plans, or any combination thereof to fulfill share commitments. AEP's current practice is to use authorized but unissued shares to fulfill share commitments. The number of shares used to fulfill share commitments is generally reduced to offset AEP's tax withholding obligation.

16. RELATED PARTY TRANSACTIONS

The disclosures in this note apply to all Registrant Subsidiaries unless indicated otherwise.

For other related party transactions, also see “AEP System Tax Allocation Agreement” section of Note 12 in addition to “Corporate Borrowing Program – AEP System” and “Securitized Accounts Receivables – AEP Credit” sections of Note 14.

Power Coordination Agreement (Applies to all Registrant Subsidiaries except AEP Texas and AEPTCo)

Effective January 1, 2014, the FERC approved the PCA. Under the PCA, APCo, I&M, KPCo and WPCo are individually responsible for planning their respective capacity obligations. The PCA allows, but does not obligate, APCo, I&M, KPCo and WPCo to participate collectively under a common fixed resource requirement capacity plan in PJM and to participate in specified collective off-system sales and purchase activities.

AEPSC conducts power, capacity, coal, natural gas, interest rate and, to a lesser extent, heating oil, gasoline and other risk management activities on behalf of APCo, I&M, KPCo, PSO, SWEPCo and WPCo. Certain power and natural gas risk management activities for APCo, I&M, KPCo and WPCo are allocated based on the four member companies’ respective equity positions, while power and natural gas risk management activities for PSO and SWEPCo are allocated based on the Operating Agreement. With the transfer of OPCo’s generation assets to AGR in 2014, AEPSC conducts only gasoline, diesel fuel, energy procurement and risk management activities on OPCo’s behalf.

System Integration Agreement (Applies to APCo, I&M, PSO and SWEPCo)

Under the SIA, AEPSC allocates physical and financial revenues and expenses from transactions with neighboring utilities, power marketers and other power and natural gas risk management activities based upon the location of such activity. Margins resulting from trading and marketing activities originating in PJM generally accrue to the benefit of APCo, I&M, KPCo and WPCo, while trading and marketing activities originating in SPP generally accrue to the benefit of PSO and SWEPCo. Margins resulting from other transactions are allocated among APCo, I&M, KPCo, PSO, SWEPCo and WPCo based upon the equity positions of these companies.

Affiliated Revenues and Purchases

The tables below represent revenues from affiliates, net of respective provisions for refund, by type of revenue for the Registrant Subsidiaries:

| Related Party Revenues | AEP Texas | AEPTCo | APCo | I&M | OPCo | PSO | SWEPCo |
|-------------------------------------|-----------------|-----------------|-----------------|----------------|----------------|---------------|----------------|
| (in millions) | | | | | | | |
| Year Ended December 31, 2019 | | | | | | | |
| Direct Sales to East Affiliates | \$ — | \$ — | \$ 128.6 | \$ — | \$ — | \$ — | \$ — |
| Direct Sales to West Affiliates | — | — | — | — | — | — | — |
| Auction Sales to OPCo (a) | — | — | 11.4 | 6.7 | — | — | — |
| Direct Sales to AEPEP | 157.2 | — | — | — | — | — | (0.1) |
| Transmission Revenues | — | 795.5 | 58.5 | 0.7 | 7.7 | 1.3 | 3.6 |
| Other Revenues | 3.3 | 11.2 | 6.8 | 3.1 | 19.6 | 4.8 | 1.4 |
| Total Affiliated Revenues | \$ 160.5 | \$ 806.7 | \$ 205.3 | \$ 10.5 | \$ 27.3 | \$ 6.1 | \$ 4.9 |
| Related Party Revenues | AEP Texas | AEPTCo | APCo | I&M | OPCo | PSO | SWEPCo |
| (in millions) | | | | | | | |
| Year Ended December 31, 2018 | | | | | | | |
| Direct Sales to East Affiliates | \$ — | \$ — | \$ 133.2 | \$ 0.1 | \$ — | \$ — | \$ — |
| Direct Sales to West Affiliates | — | — | — | — | — | — | — |
| Auction Sales to OPCo (a) | — | — | 5.8 | 7.1 | — | — | — |
| Direct Sales to AEPEP | 103.6 | — | — | — | — | — | — |
| Transmission Revenues | — | 591.4 | 36.4 | 11.7 | 3.9 | 0.9 | 26.9 |
| Other Revenues | 1.6 | 7.5 | 6.0 | 3.2 | 17.1 | 4.5 | 1.5 |
| Total Affiliated Revenues | \$ 105.2 | \$ 598.9 | \$ 181.4 | \$ 22.1 | \$ 21.0 | \$ 5.4 | \$ 28.4 |
| Related Party Revenues | AEP Texas | AEPTCo | APCo | I&M | OPCo | PSO | SWEPCo |
| (in millions) | | | | | | | |
| Year Ended December 31, 2017 | | | | | | | |
| Direct Sales to East Affiliates | \$ — | \$ — | \$ 130.4 | \$ — | \$ — | \$ — | \$ — |
| Direct Sales to West Affiliates | — | — | — | 3.8 | — | — | — |
| Auction Sales to OPCo (a) | — | — | 1.0 | — | — | — | — |
| Direct Sales to AEPEP | 63.6 | — | — | — | — | — | (0.2) |
| Transmission Revenues | — | 559.6 | 34.1 | (4.4) | 6.2 | — | 24.2 |
| Other Revenues | 2.1 | 8.5 | 6.5 | 2.4 | 18.2 | 4.3 | 1.9 |
| Total Affiliated Revenues | \$ 65.7 | \$ 568.1 | \$ 172.0 | \$ 1.8 | \$ 24.4 | \$ 4.3 | \$ 25.9 |

(a) Refer to the Ohio Auctions section below for further information regarding these amounts

The tables below represent the purchased power expenses incurred for purchases from affiliates. AEP Texas, AEPTCo, APCo, PSO and SWEPCo did not purchase any power from affiliates for the years ended December 31, 2019, 2018 and 2017.

| Related Party Purchases | I&M | OPCo |
|---------------------------------------|---------------|----------|
| | (in millions) | |
| Year Ended December 31, 2019 | | |
| Auction Purchases from AEPEP (a) | \$ — | \$ 64.6 |
| Auction Purchases from AEP Energy (a) | — | 69.9 |
| Auction Purchases from AEPSC (a) | — | 21.5 |
| Direct Purchases from AEGCo | 214.9 | — |
| Total Affiliated Purchases | \$ 214.9 | \$ 156.0 |

| Related Party Purchases | I&M | OPCo |
|---------------------------------------|---------------|----------|
| | (in millions) | |
| Year Ended December 31, 2018 | | |
| Auction Purchases from AEPEP (a) | \$ — | \$ 79.7 |
| Auction Purchases from AEP Energy (a) | — | 41.0 |
| Auction Purchases from AEPSC (a) | — | 14.6 |
| Direct Purchases from AEGCo | 237.9 | — |
| Total Affiliated Purchases | \$ 237.9 | \$ 135.3 |

| Related Party Purchases | I&M | OPCo |
|---------------------------------------|---------------|----------|
| | (in millions) | |
| Year Ended December 31, 2017 | | |
| Auction Purchases from AEPEP (a) | \$ — | \$ 96.5 |
| Auction Purchases from AEP Energy (a) | — | 5.5 |
| Auction Purchases from AEPSC (a) | — | 6.5 |
| Direct Purchases from AEGCo | 223.9 | — |
| Total Affiliated Purchases | \$ 223.9 | \$ 108.5 |

(a) Refer to the Ohio Auctions section below for further information regarding this amount

The above summarized related party revenues and expenses are reported in Sales to AEP Affiliates and Purchased Electricity from AEP Affiliates, respectively, on the Registrant Subsidiaries' statements of income. Since the Registrant Subsidiaries are included in AEP's consolidated results, the above summarized related party transactions are eliminated in total in AEP's consolidated revenues and expenses.

PJM and SPP Transmission Service Charges (Applies to all Registrant Subsidiaries except AEP Texas)

APCo, I&M, KGPCo, KPCo, OPCo and WPCo (AEP East Companies) are parties to the Transmission Agreement (TA), which defines how transmission costs through the PJM OATT are allocated among the AEP East Companies on a 12-month average coincident peak basis. Additional costs for transmission services provided by AEPTCo and other transmission affiliates are billed to AEP East Companies through the PJM OATT.

The following table shows the net transmission service charges recorded by APCo, I&M and OPCo:

| Company | Years Ended December 31, | | |
|---------|--------------------------|----------|----------|
| | 2019 | 2018 | 2017 |
| | (in millions) | | |
| APCo | \$ 222.3 | \$ 128.3 | \$ 158.2 |
| I&M | 143.5 | 91.4 | 103.8 |
| OPCo | 373.4 | 210.1 | 248.6 |

The charges shown above are recorded in Other Operation expenses on the statements of income.

PSO, SWEPCo and AEPSC are parties to the Transmission Coordination Agreement (TCA) in connection with the operation of the transmission assets of PSO and SWEPCo. The TCA has been approved by the FERC and establishes a coordinating committee, which is charged with overseeing the coordinated planning of the transmission facilities of the parties to the agreement. This includes the performance of transmission planning studies, the interaction of such companies with independent system operators and other regional bodies interested in transmission planning and compliance with the terms of the OATT filed with the FERC and the rules of the FERC relating to such a tariff.

Under the TCA, the parties to the agreement delegated to AEPSC the responsibility of monitoring the reliability of their transmission systems and administering the OATT on their behalf. The allocations have been governed by the FERC-approved OATT for the SPP. Additional costs for transmission services provided by AEPTCo and other transmission affiliates are billed to PSO and SWEPCo through the SPP OATT.

The following table shows the net transmission service charges recorded by PSO and SWEPCo:

| Company | Years Ended December 31, | | |
|---------|--------------------------|---------|---------|
| | 2019 | 2018 | 2017 |
| | (in millions) | | |
| PSO | \$ 46.9 | \$ 65.9 | \$ 56.0 |
| SWEPCo | 20.1 | 10.5 | 6.6 |

The charges shown above are recorded in Other Operation expenses on the statements of income.

AEPTCo provides transmission services to affiliates in accordance with the OATT, TA and TCA. AEPTCo recorded affiliated transmission revenues in Sales to AEP Affiliates on the statements of income. Refer to the Affiliated Revenues and Purchases section above for amounts related to these transactions.

ERCOT Transmission Service Charges (Applies to AEP and AEP Texas)

Pursuant to an order from the PUCT, ETT bills AEP Texas for its ERCOT wholesale transmission services. ETT billed AEP Texas \$27 million, \$27 million and \$30 million for transmission services in 2019, 2018 and 2017, respectively. The billings are recorded in Other Operation expenses on AEP Texas' statements of income.

Oklunion PPA between AEP Texas and AEPEP (Applies to AEP Texas)

In 2007, AEP Texas entered into a PPA with an affiliate, AEPEP, whereby AEP Texas agrees to sell AEPEP 100% of AEP Texas' capacity and associated energy from its undivided interest (54.69%) in the Oklaunion Power Station. AEPEP pays AEP Texas for the capacity and associated energy delivered to the delivery point, the sum of fuel, operation and maintenance, depreciation, capacity and all taxes other than federal income taxes applicable. A portion of the payment is fixed and is payable regardless of the level of output. There are no penalties if AEP Texas fails to maintain a minimum availability level or exceeds a maximum heat rate level. The PPA was approved by the FERC. AEP Texas recognizes revenues for the fuel, operations and maintenance and all other taxes as billed. Revenue is recognized for the capacity and depreciation billed to AEPEP, on a straight-line basis over the term of the PPA as these represent the minimum payments due. In September 2018, the co-owners of Oklaunion Power Station voted to close the plant in 2020. Effective October 2018, AEP Texas increased depreciation expense to ensure the plant balances are fully depreciated as of September 2020 and recovered through the PPA billings to AEPEP. Under the early termination provisions of the PPA, AEPEP expects to pay AEP Texas the full Property, Plant and Equipment balance through depreciation payments over the remaining period of operation of the plant, which is currently estimated to be September 2020.

AEP Texas recorded revenue of \$157 million, \$104 million and \$64 million from AEPEP for the years ended December 31, 2019, 2018 and 2017, respectively. These amounts are included in Sales to AEP Affiliates on AEP Texas' statements of income.

Joint License Agreement (Applies to AEPTCo, APCo, I&M, OPCo and PSO)

AEPTCo entered into a 50-year joint license agreement with APCo, I&M, KPCo, OPCo and PSO, respectively, allowing either party to occupy the granting party's facilities or real property. In addition, AEPTCo entered into a 5-year joint license agreement with APCo and WPCo. After the expiration of these agreements, the term shall automatically renew for successive one-year terms unless either party provides notice. The joint license billing provides compensation to the granting party for the cost of carrying assets, including depreciation expense, property taxes, interest expense, return on equity and income taxes. AEPTCo recorded the following costs in Other Operation expense related to these agreements:

| Billing Company | Years Ended December 31, | | |
|-----------------|--------------------------|------|------|
| | 2019 | 2018 | 2017 |
| | (in millions) | | |
| APCo | \$ 0.2 | \$ — | \$ — |
| I&M | 1.5 | 2.2 | 1.4 |
| KPCo | 0.3 | 0.2 | 0.2 |
| OPCo | 2.2 | 2.9 | 2.4 |
| PSO | 0.3 | 0.3 | 0.3 |
| WPCo | 0.1 | — | — |

APCo, I&M, KPCo, OPCo, PSO and WPCo recorded income related to these agreements in Sales to AEP Affiliates on the statements of income.

Ohio Auctions (Applies to APCo, I&M and OPCo)

In connection with OPCo's June 2012 - May 2015 ESP, the PUCO ordered OPCo to conduct energy and capacity auctions for its entire SSO load for delivery beginning in June 2015. AEP Energy, AEPEP, APCo, KPCo, I&M and WPCo participate in the auction process and have been awarded tranches of OPCo's SSO load. Refer to the Affiliated Revenues and Purchases section above for amounts related to these transactions and see "Ohio ESP Filings" section of Note 4 for additional information.

Unit Power Agreements (Applies to I&M)

UPA between AEGCo and I&M

A UPA between AEGCo and I&M (the I&M Power Agreement) provides for the sale by AEGCo to I&M of all the power (and the energy associated therewith) available to AEGCo at the Rockport Plant unless it is sold to another utility. Subsequently, I&M assigns 30% of the power to KPCo. See the "UPA between AEGCo and KPCo" section below. I&M is obligated, whether or not power is available from AEGCo, to pay as a demand charge for the right to receive such power (and as an energy charge for any associated energy taken by I&M) net of amounts received by AEGCo from any other sources, sufficient to enable AEGCo to pay all its operating and other expenses, including a rate of return on the common equity of AEGCo as approved by the FERC. The I&M Power Agreement will continue in effect until the expiration of the lease term of Unit 2 of the Rockport Plant unless extended in specified circumstances.

UPA between AEGCo and KPCo

Pursuant to an assignment between I&M and KPCo and a UPA between AEGCo and KPCo, AEGCo sells KPCo 30% of the power (and the energy associated therewith) available to AEGCo from both units of the Rockport Plant. KPCo pays to AEGCo in consideration for the right to receive such power the same amounts which I&M would have paid AEGCo under the terms of the I&M Power Agreement for such entitlement. The KPCo UPA ends in December 2022.

Cook Coal Terminal (Applies to I&M, PSO and SWEPCo)

Cook Coal Terminal, which is owned by AEGCo, performs coal transloading and storage services at cost for I&M. The coal transloading costs were \$13 million, \$12 million and \$10 million in 2019, 2018 and 2017, respectively. I&M recorded the cost of transloading services in Fuel on the balance sheets.

Cook Coal Terminal also performs railcar maintenance services at cost for I&M, PSO and SWEPCo. The railcar maintenance costs were as follows:

| Company | Years Ended December 31, | | |
|---------|--------------------------|--------|--------|
| | 2019 | 2018 | 2017 |
| | (in millions) | | |
| I&M | \$ 1.3 | \$ 1.5 | \$ 1.3 |
| PSO | 0.8 | 0.7 | 0.5 |
| SWEPCo | 4.0 | 3.4 | 3.5 |

I&M, PSO and SWEPCo recorded the cost of the railcar maintenance services in Fuel on the balance sheets.

I&M Barging, Urea Transloading and Other Services (Applies to APCo and I&M)

I&M provides barging, urea transloading and other transportation services to affiliates. Urea is a chemical used to control NO_x emissions at certain generation plants in the AEP System. I&M recorded revenues from barging, transloading and other services in Other Revenues – Affiliated on the statements of income. The affiliated companies recorded these costs paid to I&M as fuel expenses or other operation expenses. The amounts of affiliated expenses were:

| Company | Years Ended December 31, | | |
|---------|--------------------------|---------|---------|
| | 2019 | 2018 | 2017 |
| | (in millions) | | |
| AEGCo | \$ 14.9 | \$ 19.9 | \$ 15.3 |
| AGR | — | — | 0.1 |
| APCo | 38.9 | 35.1 | 37.2 |
| KPCo | 4.8 | 4.2 | 5.0 |
| WPCo | 4.8 | 4.2 | 5.0 |

Central Machine Shop (Applies to APCo, I&M, PSO and SWEPCo)

APCo operates a facility which repairs and rebuilds specialized components for the generation plants across the AEP System. APCo defers the cost of performing these services on the balance sheet and then transfers the cost to the affiliate for reimbursement. The AEP subsidiaries recorded these billings as capital or maintenance expenses depending on the nature of the services received. These billings are recoverable from customers. The following table provides the amounts billed by APCo to the following affiliates:

| Company | Years Ended December 31, | | |
|---------|--------------------------|--------|--------|
| | 2019 | 2018 | 2017 |
| | (in millions) | | |
| AGR | \$ 0.8 | \$ 1.6 | \$ 1.2 |
| I&M | 2.3 | 2.4 | 2.7 |
| KPCo | 1.4 | 1.7 | 1.8 |
| PSO | 1.1 | 0.5 | 1.1 |
| SWEPCo | 1.1 | 0.7 | 0.8 |

Sales and Purchases of Property

Certain AEP subsidiaries had affiliated sales and purchases of electric property individually amounting to \$100 thousand or more, sales and purchases of meters and transformers, and sales and purchases of transmission property. There were no gains or losses recorded on the transactions. The following tables show the sales and purchases, recorded at net book value:

Sales

| Company | Years Ended December 31, | | |
|-----------|--------------------------|--------|--------|
| | 2019 | 2018 | 2017 |
| | (in millions) | | |
| AEP Texas | \$ 0.9 | \$ 0.3 | \$ 0.2 |
| APCo | 5.5 | 5.4 | 3.5 |
| I&M | 7.5 | 8.2 | 5.0 |
| OPCo | 7.0 | 10.7 | 2.9 |
| PSO | 0.8 | 1.0 | 1.5 |
| SWEPCo | 0.2 | 0.8 | 0.5 |

Purchases

| Company | Years Ended December 31, | | |
|-----------|--------------------------|--------|--------|
| | 2019 | 2018 | 2017 |
| | (in millions) | | |
| AEP Texas | \$ 0.3 | \$ 0.1 | \$ 0.4 |
| AEPTCo | 10.2 | 18.5 | 9.1 |
| APCo | 6.0 | 0.6 | 0.9 |
| I&M | 0.9 | 2.0 | 3.5 |
| OPCo | 3.0 | 2.8 | 1.6 |
| PSO | 0.5 | 1.3 | 0.2 |
| SWEPCo | 0.7 | 0.8 | 0.4 |

The amounts above are recorded in Property, Plant and Equipment on the balance sheets.

Sempra Renewables LLC PPAs (Applies to I&M, OPCo and SWEPCo)

In April 2019, AEP acquired Sempra Renewables LLC and its ownership interests in 724 MWs of wind generation. The operating wind generation portfolio includes seven wind farms. Prior to the acquisition, two wind farms had existing PPAs with I&M, OPCo and SWEPCo. See "Acquisitions" section of Note 7 for additional information.

Intercompany Billings

The Registrant Subsidiaries and other AEP subsidiaries perform certain utility services for each other when necessary or practical. The costs of these services are billed on a direct-charge basis, whenever possible, or on reasonable basis of proration for services that benefit multiple companies. The billings for services are made at cost and include no compensation for the use of equity capital.

Charitable Contributions to AEP Foundation

The American Electric Power Foundation is funded by American Electric Power and its utility operating units. The Foundation provides a permanent, ongoing resource for charitable initiatives and multi-year commitments in the communities served by AEP and initiatives outside of AEP's 11-state service area. Charitable contributions to the AEP Foundation were recorded in Other Operation on the statements of income. The contributions recorded were as follows:

| Company | Year Ended December | |
|----------------|----------------------------|------|
| | 31, | |
| | 2019 | |
| | (in millions) | |
| AEP | \$ | 50.0 |
| AEP Texas | | 6.2 |
| AEPTCo | | 6.5 |
| APCo | | 8.9 |
| I&M | | 9.0 |
| OPCo | | 5.4 |
| PSO | | 3.4 |
| SWEPCo | | 5.5 |

17. VARIABLE INTEREST ENTITIES AND EQUITY METHOD INVESTMENTS

The disclosures in this note apply to all Registrants unless indicated otherwise.

The accounting guidance for “Variable Interest Entities” is a consolidation model that considers if a company has a variable interest in a VIE. A VIE is a legal entity that possesses any of the following conditions: the entity’s equity at risk is not sufficient to permit the legal entity to finance its activities without additional subordinated financial support, equity owners are unable to direct the activities that most significantly impact the legal entity’s economic performance (or they possess disproportionate voting rights in relation to the economic interest in the legal entity), or the equity owners lack the obligation to absorb the legal entity’s expected losses or the right to receive the legal entity’s expected residual returns. Entities are required to consolidate a VIE when it is determined that they have a controlling financial interest in a VIE and therefore, are the primary beneficiary of that VIE, as defined by the accounting guidance for “Variable Interest Entities.” In determining whether AEP is the primary beneficiary of a VIE, management considers whether AEP has the power to direct the most significant activities of the VIE and is obligated to absorb losses or receive the expected residual returns that are significant to the VIE. Management believes that significant assumptions and judgments were applied consistently.

AEP holds ownership interests in businesses with varying ownership structures. Partnership interests and other variable interests are evaluated to determine if each entity is a VIE, and if so, whether or not the VIE should be consolidated into AEP’s financial statements. AEP has not provided material financial or other support that was not previously contractually required to any of its consolidated VIEs. If an entity is determined not to be a VIE, or if the entity is determined to be a VIE and AEP is not deemed to be the primary beneficiary, the entity is accounted for under the equity method of accounting.

Consolidated Variable Interests Entities (Applies to all Registrants except AEPTCo and PSO)

Sabine

Sabine is a mining operator providing mining services to SWEPCo. SWEPCo has no equity investment in Sabine but is Sabine’s only customer. SWEPCo guarantees the debt obligations and lease obligations of Sabine. Under the terms of the note agreements, substantially all assets are pledged and all rights under the lignite mining agreement are assigned to SWEPCo. The creditors of Sabine have no recourse to any AEP entity other than SWEPCo. Under the provisions of the mining agreement, SWEPCo is required to pay, as a part of the cost of lignite delivered, an amount equal to mining costs plus a management fee. In addition, SWEPCo determines how much coal will be mined each year. Based on these facts, management concluded that SWEPCo is the primary beneficiary and is required to consolidate Sabine. SWEPCo’s total billings from Sabine for the years ended December 31, 2019, 2018 and 2017 were \$110 million, \$152 million and \$137 million, respectively. See the tables below for the classification of Sabine’s assets and liabilities on SWEPCo’s balance sheets.

As part of the process to receive a renewal of a Texas Railroad Commission permit for lignite mining, SWEPCo provides guarantees of mine reclamation of \$155 million. Since SWEPCo uses self-bonding, the guarantee commits SWEPCo to complete the reclamation, in the event, Sabine does not complete the work. This guarantee ends upon depletion of reserves and completion of reclamation. The reserves are estimated to deplete in 2036 with reclamation completed by 2046 at an estimated cost of \$107 million. Actual reclamation costs could vary due to inflation and scope changes to the mine reclamation. SWEPCo recovers these costs through its fuel clauses. As of December 31, 2019, SWEPCo has recorded \$83 million of mine reclamation costs in Asset Retirement Obligations and has collected \$78 million through a rider for reclamation costs. The remaining \$5 million is recorded in Deferred Charges and Other Noncurrent Assets on SWEPCo’s balance sheets.

DCC Fuel

I&M has nuclear fuel lease agreements with DCC Fuel, which was formed for the purpose of acquiring, owning and leasing nuclear fuel to I&M. DCC Fuel purchased the nuclear fuel from I&M with funds received from the issuance of notes to financial institutions. Each DCC Fuel entity is a single-lessee leasing arrangement with only one asset and is capitalized with all debt. Each is a separate legal entity from I&M, the assets of which are not available to satisfy the debts of I&M. Payments on the leases for the years ended December 31, 2019, 2018 and 2017 were \$95 million, \$113 million and \$136 million, respectively. The leases were recorded as finance leases on I&M's balance sheets as title to the nuclear fuel transfers to I&M at the end of the respective lease terms, which do not exceed 54 months. Based on I&M's control of DCC Fuel, management concluded that I&M is the primary beneficiary and is required to consolidate DCC Fuel. The finance leases are eliminated upon consolidation. See the tables below for the classification of DCC Fuel's assets and liabilities on I&M's balance sheets.

Transition Funding

Transition Funding was formed for the sole purpose of issuing and servicing securitization bonds related to Texas Restructuring Legislation. Management has concluded that AEP Texas is the primary beneficiary of Transition Funding because AEP Texas has the power to direct the most significant activities of the VIE and AEP Texas' equity interest could potentially be significant. Therefore, AEP Texas is required to consolidate Transition Funding. The securitized bonds totaled \$541 million and \$791 million as of December 31, 2019 and 2018, respectively, and are included in Long-term Debt Due Within One Year - Nonaffiliated and Long-term Debt - Nonaffiliated on the balance sheets. Transition Funding has securitized transition assets of \$389 million and \$637 million as of December 31, 2019 and 2018, respectively, which are presented separately on the face of the balance sheets. The securitized transition assets represent the right to impose and collect Texas true-up costs from customers receiving electric transmission or distribution service from AEP Texas under recovery mechanisms approved by the PUCT. The securitization bonds are payable only from and secured by the securitized transition assets. The bondholders have no recourse to AEP Texas or any other AEP entity. AEP Texas acts as the servicer for Transition Funding's securitized transition assets and remits all related amounts collected from customers to Transition Funding for interest and principal payments on the securitization bonds and related costs. See the tables below for the classification of Transition Funding's assets and liabilities on the balance sheets.

Restoration Funding

Restoration Funding was formed for the sole purpose of issuing and servicing securitization bonds related to storm restoration of AEP Texas' distribution system primarily due to damage caused by Hurricane Harvey. See "Texas Storm Cost Securitization" section of Note 4 for additional information. Management has concluded that AEP Texas is the primary beneficiary of Restoration Funding because AEP Texas has the power to direct the most significant activities of the VIE and AEP Texas' equity interest could potentially be significant. Therefore, AEP Texas is required to consolidate Restoration Funding. The securitized bonds totaled \$235 million as of December 31, 2019 and are included in Long-term Debt Due Within One Year - Nonaffiliated and Long-term Debt - Nonaffiliated on the balance sheets. Restoration Funding has securitized assets of \$232 million as of December 31, 2019 which are presented separately on the face of the balance sheets. The securitized restoration assets represent the right to impose and collect Texas storm restoration costs from customers receiving electric transmission or distribution service from AEP Texas under recovery mechanisms approved by the PUCT. The securitization bonds are payable only from and secured by the securitized assets. The bondholders have no recourse to AEP Texas or any other AEP entity. AEP Texas acts as the servicer for Restoration Funding's securitized assets and remits all related amounts collected from customers to Restoration Funding for interest and principal payments on the securitization bonds and related costs. See the table below for the classification of Restoration Funding's assets and liabilities on the balance sheets.

Ohio Phase-in-Recovery Funding

Ohio Phase-in-Recovery Funding was formed for the sole purpose of issuing and servicing securitization bonds related to phase-in recovery property. In July 2019, the securitization bonds matured. Management has concluded that OPCo is the primary beneficiary of Ohio Phase-in-Recovery Funding because OPCo has the power to direct the most significant activities of the VIE and OPCo's equity interest could potentially be significant. Therefore, OPCo is required to consolidate Ohio Phase-in-Recovery Funding. The securitized bonds totaled \$0 and \$48 million as of December 31, 2019 and 2018, respectively, and are included in Long-term Debt Due Within One Year - Nonaffiliated on the balance sheets. Ohio Phase-in-Recovery Funding has securitized assets of \$0 and \$13 million as of December 31, 2019 and 2018, respectively, which are presented separately on the face of the balance sheets. The phase-in recovery property represented the right to impose and collect Ohio deferred distribution charges from customers receiving electric transmission and distribution service from OPCo under a recovery mechanism approved by the PUCO. The securitization bonds were payable only from and secured by the securitized assets. The bondholders had no recourse to OPCo or any other AEP entity. OPCo acted as the servicer for Ohio Phase-in-Recovery Funding's securitized assets and remitted all related amounts collected from customers to Ohio Phase-in-Recovery Funding for interest and principal payments on the securitization bonds and related costs. See the tables below for the classification of Ohio Phase-in-Recovery Funding's assets and liabilities on OPCo's balance sheets.

Appalachian Consumer Rate Relief Funding

Appalachian Consumer Rate Relief Funding was formed for the sole purpose of issuing and servicing securitization bonds related to APCo's under-recovered ENEC deferral balance. Management has concluded that APCo is the primary beneficiary of Appalachian Consumer Rate Relief Funding because APCo has the power to direct the most significant activities of the VIE and APCo's equity interest could potentially be significant. Therefore, APCo is required to consolidate Appalachian Consumer Rate Relief Funding. The securitized bonds totaled \$223 million and \$272 million as of December 31, 2019 and 2018, respectively, and are included in Long-term Debt Due Within One Year - Nonaffiliated and Long-term Debt - Nonaffiliated on the balance sheets. Appalachian Consumer Rate Relief Funding has securitized assets of \$235 million and \$259 million as of December 31, 2019 and 2018, respectively, which are presented separately on the face of the balance sheets. The phase-in recovery property represents the right to impose and collect West Virginia deferred generation charges from customers receiving electric transmission, distribution and generation service from APCo under a recovery mechanism approved by the WVPSC. In November 2013, securitization bonds were issued. The securitization bonds are payable only from and secured by the securitized assets. The bondholders have no recourse to APCo or any other AEP entity. APCo acts as the servicer for Appalachian Consumer Rate Relief Funding's securitized assets and remits all related amounts collected from customers to Appalachian Consumer Rate Relief Funding for interest and principal payments on the securitization bonds and related costs. See the tables below for the classification of Appalachian Consumer Rate Relief Funding's assets and liabilities on APCo's balance sheets.

AEP Credit

AEP Credit is a wholly-owned subsidiary of Parent. AEP Credit purchases, without recourse, accounts receivable from certain utility subsidiaries of AEP to reduce working capital requirements. AEP provides a minimum of 5% equity and up to 20% of AEP Credit's short-term borrowing needs in excess of third-party financings. Any third-party financing of AEP Credit only has recourse to the receivables securitized for such financing. Based on AEP's control of AEP Credit, management concluded that AEP is the primary beneficiary and is required to consolidate AEP Credit. See the tables below for the classification of AEP Credit's assets and liabilities on the balance sheets. See "Securitized Accounts Receivables - AEP Credit" section of Note 14.

EIS

AEP's subsidiaries participate in one protected cell of EIS for six lines of insurance. EIS has multiple protected cells. Neither AEP nor its subsidiaries have an equity investment in EIS. The AEP System is essentially this EIS cell's only participant, but allows certain third-parties access to this insurance. AEP's subsidiaries and any allowed third-parties share in the insurance coverage, premiums and risk of loss from claims. Based on AEP's control and the structure of the protected cell of EIS, management concluded that AEP is the primary beneficiary of the protected cell and is required to consolidate the protected cell of EIS. The insurance premium expense to the protected cell for the years ended December 31, 2019, 2018 and 2017 was \$34 million, \$34 million and \$29 million, respectively. See the tables below for the classification of the protected cell's assets and liabilities on the balance sheets. The amount reported as equity is the protected cell's policy holders' surplus.

Transource Energy

Transource Energy was formed for the purpose of investing in utilities which develop, acquire, construct, own and operate transmission facilities in accordance with FERC-approved rates. AEP has equity and voting ownership of 86.5% with the other owner having 13.5% interest. Management has concluded that Transource Energy is a VIE and that AEP is the primary beneficiary because AEP has the power to direct the most significant activities of the entity and AEP's equity interest could potentially be significant. Therefore, AEP is required to consolidate Transource Energy. Transource Energy's activities consist of the development, construction and operation of FERC-regulated transmission assets in Missouri, West Virginia, Pennsylvania and Maryland. Transource Energy has a credit facility agreement where borrowings are loaned through intercompany lending agreements to its subsidiaries. The creditor to the agreement has no recourse to the general credit of AEP. Transource Energy's credit facility agreement contains certain covenants and require it to maintain a percentage of debt-to-total capitalization at a level that does not exceed 67.5%. For the years ended December 31, 2019, 2018 and 2017, AEP provided capital contributions to Transource Energy of \$0, \$4 million and \$5 million, respectively. See the tables below for the classification of Transource Energy's assets and liabilities on the balance sheets.

Desert Sky Wind Farm LLC and Trent Wind Farm LLC

Desert Sky Wind Farm LLC and Trent Wind Farm LLC (collectively the LLCs) were established for the purpose of repowering, owning and operating wind-powered electric energy generation facilities in Texas. In January 2018, AEP admitted a nonaffiliate as a member of the LLCs to own and repower Desert Sky and Trent. The nonaffiliate contributed full turbine sets to each project in exchange for a 20.1% interest in the LLCs. The nonaffiliates' contribution of \$84 million was recorded as Net Property, Plant and Equipment on the balance sheets, which was the fair value as of the contribution date determined based on key input assumptions of the original cost of the full turbine sets and the discounted cash flow benefit associated with the production tax credits available from repowering Desert Sky and Trent based on their expected net capacity, capacity factor and the operational availability. AEP owns 79.9% of the LLCs. As a result, management has concluded that the LLCs are VIEs and that AEP is the primary beneficiary based on its power to direct the activities that most significantly impact their economic performance. Also in January 2018, the LLCs entered into a forward PPA for the sale of power to AEPEP related to deliveries of electricity beginning January 1, 2021 for a 12 year period. Prior to the effective date of the PPA, the LLCs will sell power at market rates into ERCOT. AEP and the nonaffiliate will share tax attributes including PTC and cash distributions from the operation of the LLCs generally consistent with the ownership percentages. See the tables below for the classification of the LLCs' assets and liabilities on the balance sheets.

AEP has a call right, which if exercised, would require the nonaffiliate to sell its noncontrolling interest in the LLCs to AEP. The call exercise period is for ninety days, beginning July 2020 for Trent Wind Farm LLC and August 2020 for Desert Sky Wind Farm LLC. The nonaffiliates' interest in the LLCs is presented as Redeemable Noncontrolling Interest on the balance sheets. The nonaffiliate holds redemption rights, which if exercised, would require AEP to purchase the nonaffiliates' noncontrolling interest in the LLCs. The redemption right exercise period is for ninety days, beginning July 2021 for Trent Wind Farm LLC and August 2021 for Desert Sky Wind Farm LLC. The exercise price for both the call and redemption right are determined using a discounted cash flow model with agreed input assumptions as well as potential updates to certain assumptions reasonably expected based on the actual results of the LLCs. As of December 31, 2019 and 2018, AEP recorded \$66 million and \$69 million, respectively, of Redeemable Noncontrolling Interest in Mezzanine Equity on the balance sheets.

Apple Blossom Wind Holdings LLC and Black Oak Getty Wind Holdings LLC

In April 2019, AEP acquired an equity interest in Apple Blossom Wind Holdings LLC (Apple Blossom) and Black Oak Getty Wind Holdings LLC (Black Oak) (collectively the Project Entities) as part of the purchase of Semptra Renewables LLC. Both of the Project Entities have long-term PPAs for 100% of their energy production. The Project Entities are tax equity partnerships with nonaffiliated noncontrolling interests to which a percentage of earnings, tax attributes and cash flows are allocated in accordance with the respective limited liability company agreements. Management has concluded that the Project Entities are VIEs and that AEP is the primary beneficiary based on its power as managing member to direct the activities that most significantly impact the Project Entities' economic performance. In addition, AEP has not provided material financial or other support to the Project Entities that was not previously contractually required. As the primary beneficiary of the Project Entities, AEP consolidates the Project Entities into its financial statements. See the table below for the classification of Project Entities' assets and liabilities on the balance sheets.

The nonaffiliated interests in the Project Entities is presented in Noncontrolling Interests on the balance sheets. As of December 31, 2019, AEP recorded \$128 million of Noncontrolling Interests related to the Project Entities in Equity on the balance sheets.

The Project Entities' tax equity partnerships represent substantive profit-sharing arrangements. The method for attributing income and loss to the noncontrolling interests is a balance sheet approach referred to as the hypothetical liquidation at book value (HLBV) method. Under the HLBV method, the income and loss attributable to the noncontrolling interests reflect changes in the amounts the members would hypothetically receive at each balance sheet date under the liquidation provisions of the respective limited liability company agreements, assuming the net assets of these entities were liquidated at recorded amounts, after taking into account any capital transactions, such as contributions or distributions, between the entities and the members. For the year ended December 31, 2019, the HLBV method resulted in a loss of \$6 million allocated to Noncontrolling Interests.

Santa Rita East

In July 2019, AEP acquired a 75% interest in Santa Rita East Wind Energy Holdings, LLC and its wholly-owned subsidiary, Santa Rita East Wind Energy, LLC (collectively, Santa Rita East). Santa Rita East is a partnership whose sole purpose is to own and operate a 302 MW wind generation facility in west Texas. Santa Rita East delivers energy and provides renewable energy credits through three long-term PPAs totaling 260 MWs. The remaining 42 MWs of energy are sold at wholesale into ERCOT. Management has concluded that Santa Rita East is a VIE and that AEP is the primary beneficiary based on its power as managing member of the partnership to direct the activities that most significantly impact Santa Rita East's economic performance. As the primary beneficiary of Santa Rita East, AEP consolidates Santa Rita East into its financial statements. See the table below for the classification of Santa Rita East's assets and liabilities on the balance sheets.

AEP recognized \$10 million of PTC attributable to Santa Rita East for the year ended December 31, 2019 which was recorded in Income Tax Expense (Benefit) on the statements of income. The nonaffiliated interest in Santa Rita East is presented in Noncontrolling Interests on the balance sheets. As of December 31, 2019, AEP recorded \$118 million of Noncontrolling Interests related to Santa Rita East in Equity on the balance sheets.

The balances below represent the assets and liabilities of the VIEs that are consolidated. These balances include intercompany transactions that are eliminated upon consolidation.

American Electric Power Company, Inc. and Subsidiary Companies
Variable Interest Entities
December 31, 2019

| | Registrant Subsidiaries | | | | | |
|-----------------------------------|---|-----------------|------------------------------------|-------------------------------------|---|---|
| | SWEPCo Sabine | I&M DCC Fuel | AEP Texas Transition Funding | AEP Texas Restoration Funding | OPCo Ohio Phase-in- Recovery Funding | APCo Appalachian Consumer Rate Relief Funding |
| | (in millions) | | | | | |
| ASSETS | | | | | | |
| Current Assets | \$ 80.0 | \$ 86.5 | \$ 187.0 | \$ 9.4 | \$ — | \$ 21.5 |
| Net Property, Plant and Equipment | 111.6 | 156.8 | — | — | — | — |
| Other Noncurrent Assets | 93.2 | 82.5 | 428.1 | (a) 234.4 | (b) — | 237.5 (c) |
| Total Assets | <u>\$ 284.8</u> | <u>\$ 325.8</u> | <u>\$ 615.1</u> | <u>\$ 243.8</u> | <u>\$ —</u> | <u>\$ 259.0</u> |
| LIABILITIES AND EQUITY | | | | | | |
| Current Liabilities | \$ 50.6 | \$ 86.4 | \$ 280.2 | \$ 16.3 | \$ — | \$ 28.3 |
| Noncurrent Liabilities | 233.6 | 239.4 | 316.3 | 226.3 | — | 228.8 |
| Equity | 0.6 | — | 18.6 | 1.2 | — | 1.9 |
| Total Liabilities and Equity | <u>\$ 284.8</u> | <u>\$ 325.8</u> | <u>\$ 615.1</u> | <u>\$ 243.8</u> | <u>\$ —</u> | <u>\$ 259.0</u> |
| (a) | Includes an intercompany item eliminated in consolidation of \$39 million | | | | | |
| (b) | Includes an intercompany item eliminated in consolidation of \$1 million | | | | | |
| (c) | Includes an intercompany item eliminated in consolidation of \$3 million | | | | | |

American Electric Power Company, Inc. and Subsidiary Companies
Variable Interest Entities
December 31, 2019

| | Other Consolidated VIEs | | | | | |
|-----------------------------------|-------------------------|-----------------------|-------------------|----------------------|-----------------------------|-----------------|
| | AEP Credit | Protected Cell of EIS | Transource Energy | Desert Sky and Trent | Apple Blossom and Black Oak | Santa Rita East |
| | (in millions) | | | | | |
| ASSETS | | | | | | |
| Current Assets | \$ 842.8 | \$ 194.6 | \$ 25.8 | \$ 7.8 | \$ 10.1 | \$ 17.7 |
| Net Property, Plant and Equipment | — | — | 424.1 | 330.6 | 231.4 | 465.2 |
| Other Noncurrent Assets | 7.1 | — | 3.2 | 10.1 | 13.1 | 0.3 |
| Total Assets | \$ 849.9 | \$ 194.6 | \$ 453.1 | \$ 348.5 | \$ 254.6 | \$ 483.2 |
| LIABILITIES AND EQUITY | | | | | | |
| Current Liabilities | \$ 805.2 | \$ 40.7 | \$ 192.4 | \$ 5.5 | \$ 5.4 | \$ 3.9 |
| Noncurrent Liabilities | 0.9 | 78.0 | 4.8 | 15.8 | 4.7 | 7.5 |
| Equity | 43.8 | 75.9 | 255.9 | 327.2 | 244.5 | 471.8 |
| Total Liabilities and Equity | \$ 849.9 | \$ 194.6 | \$ 453.1 | \$ 348.5 | \$ 254.6 | \$ 483.2 |

American Electric Power Company, Inc. and Subsidiary Companies
Variable Interest Entities
December 31, 2018

| | Registrant Subsidiaries | | | | |
|--|-------------------------|-----------------|---------------------------------|---|---|
| | SWEPCo Sabine | I&M DCC Fuel | AEP Texas Transition Funding | OPCo Ohio Phase-in- Recovery Funding | APCo Appalachian Consumer Rate Relief Funding |
| | (in millions) | | | | |
| ASSETS | | | | | |
| Current Assets | \$ 70.0 | \$ 77.6 | \$ 192.8 | \$ 29.5 | \$ 24.8 |
| Net Property, Plant and Equipment | 106.9 | 122.3 | — | — | — |
| Other Noncurrent Assets | 98.5 | 58.4 | 683.5 | (a) 24.2 | (b) 261.8 (c) |
| Total Assets | <u>\$ 275.4</u> | <u>\$ 258.3</u> | <u>\$ 876.3</u> | <u>\$ 53.7</u> | <u>\$ 286.6</u> |
| LIABILITIES AND EQUITY | | | | | |
| Current Liabilities | \$ 31.1 | \$ 77.1 | \$ 271.9 | \$ 48.5 | \$ 28.0 |
| Noncurrent Liabilities | 244.0 | 181.2 | 586.1 | 3.9 | 256.7 |
| Equity | 0.3 | — | 18.3 | 1.3 | 1.9 |
| Total Liabilities and Equity | <u>\$ 275.4</u> | <u>\$ 258.3</u> | <u>\$ 876.3</u> | <u>\$ 53.7</u> | <u>\$ 286.6</u> |
| (a) Includes an intercompany item eliminated in consolidation of \$47 million (b) Includes an intercompany item eliminated in consolidation of \$11 million (c) Includes an intercompany item eliminated in consolidation of \$3 million | | | | | |

American Electric Power Company, Inc. and Subsidiary Companies
Variable Interest Entities
December 31, 2018

| | Other Consolidated VIEs | | | |
|-----------------------------------|-------------------------|-----------------------|-------------------|----------------------|
| | AEP Credit | Protected Cell of EIS | Transource Energy | Desert Sky and Trent |
| | (in millions) | | | |
| ASSETS | | | | |
| Current Assets | \$ 974.2 | \$ 177.8 | \$ 25.7 | \$ 6.8 |
| Net Property, Plant and Equipment | — | — | 380.3 | 348.5 |
| Other Noncurrent Assets | 6.3 | 0.1 | 1.9 | — |
| Total Assets | <u>\$ 980.5</u> | <u>\$ 177.9</u> | <u>\$ 407.9</u> | <u>\$ 355.3</u> |
| LIABILITIES AND EQUITY | | | | |
| Current Liabilities | \$ 923.5 | \$ 38.6 | \$ 19.9 | \$ 8.7 |
| Noncurrent Liabilities | 0.8 | 85.3 | 160.3 | 6.2 |
| Equity | 56.2 | 54.0 | 227.7 | 340.4 |
| Total Liabilities and Equity | <u>\$ 980.5</u> | <u>\$ 177.9</u> | <u>\$ 407.9</u> | <u>\$ 355.3</u> |

Non-Consolidated Significant Variable Interests

DHLC

DHLC is a mining operator which sells 50% of the lignite produced to SWEPCo and 50% to CLECO. The operations of DHLC are governed by the lignite mining agreement among SWEPCo, CLECO and DHLC. SWEPCo and CLECO share the executive board seats and voting rights equally. In accordance with the lignite mining agreement, each entity is responsible for 50% of DHLC's obligations, including debt. SWEPCo and CLECO equally approve DHLC's annual budget. The creditors of DHLC have no recourse to any AEP entity other than SWEPCo. As SWEPCo is the sole equity owner of DHLC, it receives 100% of the management fee. SWEPCo's total billings from DHLC for the years ended December 31, 2019, 2018 and 2017 were \$55 million, \$58 million and \$61 million, respectively. SWEPCo is not required to consolidate DHLC as it is not the primary beneficiary, although SWEPCo holds a significant variable interest in DHLC. SWEPCo's equity investment in DHLC is included in Deferred Charges and Other Noncurrent Assets on SWEPCo's balance sheets.

SWEPCo's investment in DHLHC was:

| | December 31, | | | |
|----------------------------------|-------------------------------------|---------------------|-------------------------------------|---------------------|
| | 2019 | | 2018 | |
| | As Reported on the Balance Sheet | Maximum Exposure | As Reported on the Balance Sheet | Maximum Exposure |
| | (in millions) | | | |
| Capital Contribution from SWEPCo | \$ 7.6 | \$ 7.6 | \$ 7.6 | \$ 7.6 |
| Retained Earnings | 17.5 | 17.5 | 14.5 | 14.5 |
| SWEPCo's Share of Obligations | — | 130.0 | — | 167.6 |
| Total Investment in DHLHC | \$ 25.1 | \$ 155.1 | \$ 22.1 | \$ 189.7 |

OVEC

AEP and several nonaffiliated utility companies jointly own OVEC. As of December 31, 2019, AEP's ownership in OVEC was 43.47%. Parent owns 39.17% and OPCo owns 4.3%. APCo, I&M and OPCo are members to an intercompany power agreement. The Registrants' power participation ratios are 15.69% for APCo, 7.85% for I&M and 19.93% for OPCo. Participants of this agreement are entitled to receive and are obligated to pay for all OVEC generating capacity, approximately 2,400 MWs, in proportion to their respective power participation ratios. The proceeds from the sale of power by OVEC are designed to be sufficient for OVEC to meet its operating expenses and fixed costs, including outstanding indebtedness, and provide a return on capital. The intercompany power agreement ends in June 2040.

AEP and other nonaffiliated owners authorized environmental investments related to their ownership interests. OVEC financed capital expenditures in connection with the engineering and construction of FGD projects and the associated waste disposal landfills at its two generation plants. These environmental projects were funded through debt issuances. As of December 31, 2019 and 2018, OVEC's outstanding indebtedness was approximately \$1.4 billion and \$1.4 billion, respectively. Although they are not an obligor or guarantor, the Registrants' are responsible for their respective ratio of OVEC's outstanding debt through the intercompany power agreement. Principal and interest payments related to OVEC's outstanding indebtedness are disclosed in accordance with the accounting guidance for "Commitments." See the "Commitments" section of Note 6 for additional information.

AEP is not required to consolidate OVEC as it is not the primary beneficiary, although AEP and its subsidiary holds a significant variable interest in OVEC. Power to control decision making that significantly impacts the economic performance of OVEC is shared amongst the owners through their representation on the Board of Directors of OVEC and the representation of the sponsoring companies on the Operating Committee under the intercompany power agreement.

AEP's investment in OVEC was:

| | December 31, | | | |
|---------------------------------|-------------------------------------|---------------------|-------------------------------------|---------------------|
| | 2019 | | 2018 | |
| | As Reported on the Balance Sheet | Maximum Exposure | As Reported on the Balance Sheet | Maximum Exposure |
| | (in millions) | | | |
| Capital Contribution from AEP | \$ 4.4 | \$ 4.4 | \$ 4.4 | \$ 4.4 |
| AEP's Ratio of OVEC Debt (a) | — | 588.9 | — | 604.1 |
| Total Investment in OVEC | \$ 4.4 | \$ 593.3 | \$ 4.4 | \$ 608.5 |

(a) Based on the Registrants' power participation ratios APCo, I&M and OPCo's share of OVEC debt was \$213 million, \$106 million and \$270 million as of December 31, 2019 and \$218 million, \$109 million and \$277 million as of December 31, 2018, respectively

Power purchased by the Registrant Subsidiaries from OVEC is included in Purchased Electricity for Resale on the statements of income and is shown in the table below:

| Company | Years Ended December 31, | | |
|---------|--------------------------|----------|----------|
| | 2019 | 2018 | 2017 |
| | (in millions) | | |
| APCo | \$ 104.5 | \$ 100.4 | \$ 101.0 |
| I&M | 52.3 | 50.2 | 50.5 |
| OPCo | 132.7 | 127.5 | 128.2 |

Potomac-Appalachian Transmission Highline, LLC (PATH)

AEP and FirstEnergy Corp. (FirstEnergy) have a joint venture in PATH. PATH is a series limited liability company and was created to construct, through its operating companies, a high-voltage transmission line project in the PJM region. PATH consists of the “West Virginia Series (PATH-WV),” owned equally by subsidiaries of FirstEnergy and AEP, and the “Allegheny Series” which is 100% owned by a subsidiary of FirstEnergy. Provisions exist within the PATH-WV agreement that make it a VIE. AEP has no interest or control in the “Allegheny Series.” AEP is not required to consolidate PATH-WV as AEP is not the primary beneficiary, although AEP holds a significant variable interest in PATH-WV. AEP’s equity investment in PATH-WV is included in Deferred Charges and Other Noncurrent Assets on the balance sheets. AEP and FirstEnergy share the returns and losses equally in PATH-WV. AEP’s subsidiaries and FirstEnergy’s subsidiaries provide services to the PATH companies through service agreements. The entities recover costs through regulated rates.

In August 2012, the PJM board cancelled the PATH Project, the transmission project that PATH was intended to develop and removed it from the 2012 Regional Transmission Expansion Plan. In September 2012, the PATH Project companies submitted an application to the FERC requesting authority to recover prudently-incurred costs associated with the PATH Project. In November 2012, the FERC issued an order accepting the PATH Project’s abandonment cost recovery application, subject to settlement procedures and hearing. The parties to the case were unable to reach a settlement agreement and in March 2014, settlement judge procedures were terminated. Hearings at the FERC were held in March and April 2015. In April 2015, PATH filed a stipulation agreement with the FERC that agreed to a 50% debt and 50% equity capital structure and a 4.7% cost of long-term debt for the entire amortization period. In September 2015, the ALJ issued an advisory Initial Decision. Additional briefing was submitted during the fourth quarter of 2015. In January 2017, the FERC issued its order on Initial Decision, adopting in part and rejecting in part the ALJ’s recommendations. The FERC order included (a) a finding that the PATH Project’s abandonment costs were prudently incurred, (b) a finding that the disposition of certain assets was prudent, (c) guidance regarding the future disposition of assets, (d) a reduction of PATH WV’s authorized ROE to 8.11% prospectively only after the date of the order, (e) an adjustment of the amortization period to end December 2017, and (f) a credit for certain amounts that were deemed to be not includable in PATH-WV’s formula rates.

In February 2017, the PATH Companies filed a request for rehearing of two adverse rulings in the January 2017 FERC order. The request seeks the FERC to reverse its reduction of the PATH Companies 10.4% ROE for the period after January 19, 2017 and to allow the recovery of certain education and outreach costs disallowed by the order. In February 2017, the Edison Electric Institute (“EEI”) also filed a request for rehearing recommending reversal of the January 2017 FERC ordered ROE reduction and cost disallowance. The filing of requests for rehearing did not impact the recovery of costs by the PATH Companies under their formula rates or the timing of the compliance filing required by the order, which was filed in March 2017, and updated in May 2017 and August 2017. As a result of the January 2017 FERC order, PATH-WV was required to refund certain amounts that had been collected under its formula rate in its 2018 Projected Transmission Revenue Requirement. PATH-WV refunded \$11 million in 2018, including carrying charges, related to the January 2017 order in its 2018 Projected Transmission Revenue Requirement.

In January 2019, the FERC issued an order stating that PATH complied in part, and did not comply in part, with directives of the previous FERC order’s mandated compliance filing concerning formula rates and its abandonment recovery. The order included a requirement for PATH to recalculate its recoverable cost of service associated with general advertising costs and provide information regarding land transactions. PATH filed an additional compliance

filing, including refund estimates. In connection with its recalculated recoverable cost of service, PATH-WV will refund disallowed costs for general advertising that were previously collected in formula rates. As of December 31, 2019 PATH-WV has \$1 million, including carrying charges, recorded as Accumulated Provisions for Rate Refunds that will be refunded in rates effective January 1, 2020.

In January 2020, the FERC issued an order on the PATH Companies' February 2017 request for rehearing. The order included: (a) a request for additional briefs to determine a just and reasonable ROE, (b) confirmation of a previous order stating that PATH's risk profile has decreased due to the PATH Project's abandonment and (c) acceptance of PATH's compliance filing from March 2017 as discussed above, subject to the review of (a). In addition, the order granted rehearing and reversed the disallowance of certain education, outreach and general advertising costs as discussed above. The January 2020 FERC order may be subject to further requests for rehearing or appeal.

AEP's investment in PATH-WV was:

| | December 31, | | | |
|------------------------------------|-------------------------------------|---------------------|-------------------------------------|---------------------|
| | 2019 | | 2018 | |
| | As Reported on the Balance Sheet | Maximum Exposure | As Reported on the Balance Sheet | Maximum Exposure |
| | (in millions) | | | |
| Capital Contribution from Parent | \$ 18.8 | \$ 18.8 | \$ 18.8 | \$ 18.8 |
| Retained Earnings | (1.7) | (1.7) | (1.4) | (1.4) |
| Total Investment in PATH-WV | \$ 17.1 | \$ 17.1 | \$ 17.4 | \$ 17.4 |

AEP's investment in PATH-WV is included in Deferred Charges and Other Noncurrent Assets on the balance sheets. If AEP cannot ultimately recover the investment related to PATH-WV, it could reduce future net income and cash flows and impact financial condition.

AEPSC

AEPSC provides certain managerial and professional services to AEP's subsidiaries. Parent is the sole equity owner of AEPSC. AEP management controls the activities of AEPSC. The costs of the services are based on a direct charge or on a prorated basis and billed to the AEP subsidiary companies at AEPSC's cost. AEP subsidiaries have not provided financial or other support outside of the reimbursement of costs for services rendered. AEPSC finances its operations through cost reimbursement from other AEP subsidiaries. There are no other terms or arrangements between AEPSC and any of the AEP subsidiaries that could require additional financial support from an AEP subsidiary or expose them to losses outside of the normal course of business. AEPSC and its billings are subject to regulation by the FERC. AEP subsidiaries are exposed to losses to the extent they cannot recover the costs of AEPSC through their normal business operations. AEP subsidiaries are considered to have a significant interest in AEPSC due to their activity in AEPSC's cost reimbursement structure. However, AEP subsidiaries do not have control over AEPSC. AEPSC is consolidated by AEP. In the event AEPSC would require financing or other support outside the cost reimbursement billings, this financing would be provided by AEP.

Total AEPSC billings to the Registrant Subsidiaries were as follows:

| Company | Years Ended December 31, | | |
|-----------|--------------------------|----------|----------|
| | 2019 | 2018 | 2017 |
| | (in millions) | | |
| AEP Texas | \$ 206.6 | \$ 184.3 | \$ 152.6 |
| AEPTCo | 242.3 | 220.4 | 188.9 |
| APCo | 308.3 | 295.6 | 268.8 |
| I&M | 184.8 | 173.5 | 176.0 |
| OPCo | 230.4 | 214.9 | 195.7 |
| PSO | 125.7 | 121.5 | 114.7 |
| SWEPCo | 169.5 | 164.4 | 150.7 |

The carrying amount and classification of variable interest in AEPSC's accounts payable were as follows:

| Company | December 31, | | | |
|-----------|-------------------------------------|---------------------|-------------------------------------|---------------------|
| | 2019 | | 2018 | |
| | As Reported on the Balance Sheet | Maximum Exposure | As Reported on the Balance Sheet | Maximum Exposure |
| | (in millions) | | | |
| AEP Texas | \$ 32.4 | \$ 32.4 | \$ 22.3 | \$ 22.3 |
| AEPTCo | 33.4 | 33.4 | 24.6 | 24.6 |
| APCo | 44.1 | 44.1 | 32.2 | 32.2 |
| I&M | 28.6 | 28.6 | 23.8 | 23.8 |
| OPCo | 33.2 | 33.2 | 23.9 | 23.9 |
| PSO | 18.1 | 18.1 | 13.2 | 13.2 |
| SWEPCo | 23.4 | 23.4 | 18.4 | 18.4 |

AEGCo

AEGCo, a wholly-owned subsidiary of Parent, is consolidated by AEP. AEGCo owns a 50% ownership interest in Rockport Plant, Unit 1 and leases a 50% interest in Rockport Plant, Unit 2. AEGCo sells all the output from the Rockport Plant to I&M and KPCo. AEP has agreed to provide AEGCo with the funds necessary to satisfy all of the debt obligations of AEGCo. I&M is considered to have a significant interest in AEGCo due to these transactions. I&M is exposed to losses to the extent it cannot recover the costs of AEGCo through its normal business operations. In the event AEGCo would require financing or other support outside the billings to I&M and KPCo, this financing would be provided by AEP. Total billings to I&M from AEGCo for the years ended December 31, 2019, 2018 and 2017 were \$215 million, \$238 million and \$224 million, respectively. The carrying amounts of I&M's liabilities associated with AEGCo as of December 31, 2019 and 2018 were \$10 million and \$20 million, respectively. Management estimates the maximum exposure of loss to be equal to the amount of such liability. See "Rockport Lease" section of Note 13 for additional information.

Significant Equity Method Investments in Unconsolidated Entities

For a discussion of the equity method of accounting, see the "Equity Investment in Unconsolidated Entities" section of Note 1.

Sempra Renewables LLC

In April 2019, AEP acquired a 50% interest in five wind farms in multiple states as part of the purchase of Sempra Renewables LLC. The wind farms are joint ventures with BP Wind Energy who holds the other 50% interest. All five wind farms have long-term PPAs for 100% of their energy production. One of the jointly-owned wind farms has PPAs with I&M and OPCo for a portion of its energy production. Another jointly-owned wind farm has a PPA with SWEPCo for a portion of its energy production. The joint venture wind farms are not considered VIEs and AEP is not required to consolidate them as AEP does not have a controlling financial interest. However, AEP is able to exercise significant influence over the wind farms and therefore applies the equity method of accounting. As of December 31, 2019, AEP's investment in the five joint venture wind farms was \$394 million. The investment includes amounts recognized in AOCI related to interest rate cash flow hedges. The investment is comprised of a historical investment of \$420 million plus a basis difference of \$(18) million. AEP's equity earnings associated with the five joint venture wind farms was a loss of \$4 million for the year ended December 31, 2019. AEP recognized \$27 million of PTC attributable to the joint venture wind farms for the year ended December 31, 2019, which was recorded in Income Tax Expense (Benefit) on the statements of income.

ETT

ETT designs, acquires, constructs, owns and operates certain transmission facilities in ERCOT. Berkshire Hathaway Energy, a nonaffiliated entity, holds a 50% membership interest in ETT, AEP Transmission Holdco held a 49.5% interest in ETT and AEP Transmission Partner held the remaining 0.5% membership interest in ETT. In July 2019, AEP Transmission Partner was merged into AEP Transmission Holdco, increasing AEP Transmission Holdco's interest in ETT to 50%. As a result, AEP, through its wholly-owned subsidiary, holds a 50% membership interest in ETT. As of December 31, 2019 and 2018, AEP's investment in ETT was \$695 million and \$666 million, respectively. AEP's equity earnings associated with ETT were \$66 million, \$62 million and \$82 million for the years ended December 31, 2019, 2018 and 2017 respectively.

18. PROPERTY, PLANT AND EQUIPMENT

The disclosures in this note apply to all Registrants unless indicated otherwise.

Property, Plant and Equipment is shown functionally on the face of the balance sheets. The following tables include the total plant balances as of December 31, 2019 and 2018:

| December 31, 2019 | AEP | AEP Texas | AEPTCo | APCo | I&M | OPCo | PSO | SWEPCo |
|---|-----------------|------------|------------|-------------|------------|------------|------------|----------------|
| | (in millions) | | | | | | | |
| Regulated Property, Plant and Equipment | | | | | | | | |
| Generation | \$ 21,323.5 (a) | \$ — | \$ — | \$ 6,563.7 | \$ 5,099.7 | \$ — | \$ 1,574.6 | \$ 4,691.4 (a) |
| Transmission | 24,763.4 | 4,466.5 | 8,137.9 | 3,584.1 | 1,641.8 | 2,686.3 | 948.5 | 2,056.5 |
| Distribution | 22,440.8 | 4,215.2 | — | 4,201.7 | 2,437.6 | 5,323.5 | 2,684.8 | 2,270.7 |
| Other | 4,369.6 | 803.4 | 268.2 | 542.0 | 590.9 | 754.7 | 337.2 | 520.6 |
| CWIP | 4,261.2 (a) | 763.9 | 1,485.7 | 593.4 | 382.3 | 394.4 | 133.4 | 210.1 (a) |
| Less Accumulated Depreciation | 18,778.1 | 1,465.0 | 402.3 | 4,425.6 | 3,281.4 | 2,261.7 | 1,579.9 | 2,766.2 |
| Total Regulated Property, Plant and Equipment - Net | 58,380.4 | 8,784.0 | 9,489.5 | 11,059.3 | 6,870.9 | 6,897.2 | 4,098.6 | 6,983.1 |
| Nonregulated Property, Plant and Equipment - Net | 1,757.7 | 61.1 | 1.4 | 22.6 | 28.8 | 9.8 | 4.7 | 112.1 |
| Total Property, Plant and Equipment - Net | \$ 60,138.1 | \$ 8,845.1 | \$ 9,490.9 | \$ 11,081.9 | \$ 6,899.7 | \$ 6,907.0 | \$ 4,103.3 | \$ 7,095.2 |

| December 31, 2018 | AEP | AEP Texas | AEPTCo | APCo | I&M | OPCo | PSO | SWEPCo |
|---|-----------------|------------|------------|-------------|------------|------------|------------|----------------|
| | (in millions) | | | | | | | |
| Regulated Property, Plant and Equipment | | | | | | | | |
| Generation | \$ 20,989.1 (a) | \$ — | \$ — | \$ 6,509.6 | \$ 4,887.2 | \$ — | \$ 1,577.0 | \$ 4,672.6 (a) |
| Transmission | 21,500.5 | 3,683.6 | 6,515.8 | 3,317.7 | 1,576.8 | 2,544.3 | 892.3 | 1,866.9 |
| Distribution | 21,192.8 | 4,043.2 | — | 3,989.4 | 2,249.7 | 4,942.3 | 2,572.8 | 2,178.6 |
| Other | 3,770.8 | 724.6 | 172.6 | 457.4 | 543.1 | 563.7 | 298.1 | 485.2 |
| CWIP | 4,352.6 (a) | 836.0 | 1,578.3 | 490.2 | 465.3 | 432.1 | 94.0 | 194.7 (a) |
| Less Accumulated Depreciation | 17,743.1 | 1,431.2 | 271.9 | 4,118.9 | 3,139.4 | 2,217.7 | 1,472.1 | 2,633.5 |
| Total Regulated Property, Plant and Equipment - Net | 54,062.7 | 7,856.2 | 7,994.8 | 10,645.4 | 6,582.7 | 6,264.7 | 3,962.1 | 6,764.5 |
| Nonregulated Property, Plant and Equipment - Net | 1,036.4 | 135.6 | 1.4 | 22.9 | 28.5 | 10.2 | 4.6 | 107.3 |
| Total Property, Plant and Equipment - Net | \$ 55,099.1 | \$ 7,991.8 | \$ 7,996.2 | \$ 10,668.3 | \$ 6,611.2 | \$ 6,274.9 | \$ 3,966.7 | \$ 6,871.8 |

(a) AEP and SWEPCo's regulated generation and regulated CWIP include amounts related to SWEPCo's Arkansas jurisdictional share of the Turk Plant

Depreciation, Depletion and Amortization

The Registrants provide for depreciation of Property, Plant and Equipment, excluding coal-mining properties, on a straight-line basis over the estimated useful lives of property, generally using composite rates by functional class. The following tables provide total regulated annual composite depreciation rates and depreciable lives for the Registrants.

AEP

| Functional Class of Property | 2019 | | 2018 | | 2017 | |
|------------------------------|---|-------------------------|---|-------------------------|---|-------------------------|
| | Annual Composite Depreciation Rate Ranges | Depreciable Life Ranges | Annual Composite Depreciation Rate Ranges | Depreciable Life Ranges | Annual Composite Depreciation Rate Ranges | Depreciable Life Ranges |
| | (in years) | | (in years) | | (in years) | |
| Generation | 2.5% - 5.5% | 20 - 132 | 2.4% - 4.0% | 20 - 132 | 2.3% - 3.7% | 20 - 132 |
| Transmission | 1.8% - 2.6% | 15 - 81 | 1.6% - 2.7% | 15 - 81 | 1.6% - 2.7% | 15 - 100 |
| Distribution | 2.7% - 3.7% | 7 - 78 | 2.7% - 3.6% | 7 - 78 | 2.7% - 3.7% | 5 - 156 |
| Other | 2.6% - 9.5% | 5 - 75 | 2.3% - 9.8% | 5 - 75 | 2.3% - 9.2% | 5 - 84 |

AEP Texas

| Functional Class of Property | 2019 | | 2018 | | 2017 | |
|------------------------------|------------------------------------|-------------------------|------------------------------------|-------------------------|------------------------------------|-------------------------|
| | Annual Composite Depreciation Rate | Depreciable Life Ranges | Annual Composite Depreciation Rate | Depreciable Life Ranges | Annual Composite Depreciation Rate | Depreciable Life Ranges |
| | (in years) | | (in years) | | (in years) | |
| Transmission | 1.8% | 45 - 81 | 1.7% | 45 - 81 | 1.7% | 45 - 81 |
| Distribution | 3.5% | 7 - 70 | 3.6% | 7 - 70 | 3.6% | 7 - 70 |
| Other | 6.3% | 5 - 50 | 6.0% | 5 - 50 | 8.7% | 5 - 50 |

AEPTCo

| Functional Class of Property | 2019 | | 2018 | | 2017 | |
|------------------------------|------------------------------------|-------------------------|------------------------------------|-------------------------|------------------------------------|-------------------------|
| | Annual Composite Depreciation Rate | Depreciable Life Ranges | Annual Composite Depreciation Rate | Depreciable Life Ranges | Annual Composite Depreciation Rate | Depreciable Life Ranges |
| | (in years) | | (in years) | | (in years) | |
| Transmission | 2.0% | 24 - 75 | 1.9% | 20 - 75 | 1.7% | 20 - 100 |
| Other | 5.8% | 5 - 64 | 5.6% | 5 - 64 | 6.7% | 5 - 84 |

APCo

| Functional Class of Property | 2019 | | 2018 | | 2017 | |
|------------------------------|------------------------------------|-------------------------|------------------------------------|-------------------------|------------------------------------|-------------------------|
| | Annual Composite Depreciation Rate | Depreciable Life Ranges | Annual Composite Depreciation Rate | Depreciable Life Ranges | Annual Composite Depreciation Rate | Depreciable Life Ranges |
| | (in years) | | (in years) | | (in years) | |
| Generation | 3.2% | 35 - 118 | 3.1% | 35 - 112 | 3.1% | 35 - 112 |
| Transmission | 1.8% | 15 - 71 | 1.6% | 15 - 68 | 1.6% | 15 - 68 |
| Distribution | 3.7% | 12 - 57 | 3.6% | 10 - 57 | 3.7% | 10 - 57 |
| Other | 7.2% | 5 - 55 | 7.4% | 5 - 55 | 6.5% | 5 - 55 |

I&M

| Functional Class of Property | 2019 | | 2018 | | 2017 | |
|------------------------------|------------------------------------|-------------------------|------------------------------------|-------------------------|------------------------------------|-------------------------|
| | Annual Composite Depreciation Rate | Depreciable Life Ranges | Annual Composite Depreciation Rate | Depreciable Life Ranges | Annual Composite Depreciation Rate | Depreciable Life Ranges |
| | (in years) | | (in years) | | (in years) | |
| Generation | 4.0% | 20 - 132 | 3.4% | 20 - 132 | 2.4% | 20 - 132 |
| Transmission | 1.9% | 50 - 73 | 1.8% | 50 - 73 | 1.7% | 50 - 75 |
| Distribution | 3.4% | 9 - 75 | 3.1% | 9 - 75 | 2.7% | 10 - 70 |
| Other | 9.4% | 5 - 50 | 8.9% | 5 - 50 | 8.4% | 5 - 45 |

OPCo

| Functional Class of Property | 2019 | | | | 2018 | | | | 2017 | | | |
|---------------------------------|---|----------------------------|---|----|---|----------------------------|---|----|---|----------------------------|---|----|
| | Annual Composite Depreciation Rate | Depreciable Life Ranges | | | Annual Composite Depreciation Rate | Depreciable Life Ranges | | | Annual Composite Depreciation Rate | Depreciable Life Ranges | | |
| | | | | | | | | | | | | |
| | | (in years) | | | | (in years) | | | | (in years) | | |
| Transmission | 2.3% | 39 | - | 60 | 2.3% | 39 | - | 60 | 2.3% | 39 | - | 60 |
| Distribution | 3.1% | 14 | - | 65 | 3.0% | 14 | - | 65 | 2.8% | 5 | - | 57 |
| Other | 4.9% | 5 | - | 50 | 6.3% | 5 | - | 50 | 6.2% | 5 | - | 50 |

PSO

| Functional Class of Property | 2019 | | | 2018 | | | 2017 | | |
|------------------------------|------------------------------------|-------------------------|------|------------------------------------|-------------------------|------|------------------------------------|-------------------------|-------|
| | Annual Composite Depreciation Rate | Depreciable Life Ranges | | Annual Composite Depreciation Rate | Depreciable Life Ranges | | Annual Composite Depreciation Rate | Depreciable Life Ranges | |
| | | (in years) | | | (in years) | | | (in years) | |
| Generation | 2.9% | 35 | - 75 | 2.9% | 35 | - 75 | 2.4% | 35 | - 85 |
| Transmission | 2.4% | 45 | - 75 | 2.3% | 45 | - 75 | 2.2% | 45 | - 100 |
| Distribution | 2.9% | 15 | - 78 | 2.9% | 15 | - 78 | 2.7% | 27 | - 156 |
| Other | 5.6% | 5 | - 64 | 6.3% | 5 | - 64 | 7.4% | 5 | - 84 |

SWEPCo

| Functional Class of Property | 2019 | | | 2018 | | | 2017 | | |
|------------------------------|------------------------------------|-------------------------|------|------------------------------------|-------------------------|------|------------------------------------|-------------------------|------|
| | Annual Composite Depreciation Rate | Depreciable Life Ranges | | Annual Composite Depreciation Rate | Depreciable Life Ranges | | Annual Composite Depreciation Rate | Depreciable Life Ranges | |
| | | (in years) | | | (in years) | | | (in years) | |
| Generation | 2.5% | 40 | - 70 | 2.4% | 40 | - 70 | 2.3% | 40 | - 70 |
| Transmission | 2.4% | 50 | - 73 | 2.2% | 50 | - 73 | 2.3% | 50 | - 73 |
| Distribution | 2.7% | 25 | - 70 | 2.7% | 25 | - 70 | 2.7% | 25 | - 70 |
| Other | 7.6% | 5 | - 55 | 8.0% | 5 | - 55 | 7.2% | 5 | - 55 |

The following table includes the nonregulated annual composite depreciation rate ranges and nonregulated depreciable life ranges for AEP and AEP Texas. Depreciation rate ranges and depreciable life ranges are not meaningful for nonregulated property of AEPTCo, APCo, I&M, OPCo, PSO and SWEPCo for 2019, 2018 and 2017.

| Functional Class of Property | 2019 | | | 2018 | | | 2017 | | |
|------------------------------|---|-------------------------|----------|---|-------------------------|----------|---|-------------------------|----------|
| | Annual Composite Depreciation Rate Ranges | Depreciable Life Ranges | | Annual Composite Depreciation Rate Ranges | Depreciable Life Ranges | | Annual Composite Depreciation Rate Ranges | Depreciable Life Ranges | |
| | | (in years) | | | (in years) | | | (in years) | |
| Generation | 3.2% - 21.2% | 15 | - 59 | 3.4% - 22.3% | 15 | - 59 | 2.4% - 5.1% | 15 | - 66 |
| Transmission | 2.5% | 30 | - 40 | 2.4% | 40 | | 0.2% | 40 | |
| Distribution | 2.3% | 40 | | 2.3% | 40 | | 2.3% | 40 | |
| Other | 17.6% | 5 | - 50 (a) | 16.3% | 5 | - 50 (a) | 12.1% | 5 | - 50 (a) |

(a) SWEPCo's nonregulated property, plant and equipment is depreciated using the straight-line method over a range of 3 to 20 years

SWEPCo provides for depreciation, depletion and amortization of coal-mining assets over each asset's estimated useful life or the estimated life of each mine, whichever is shorter, using the straight-line method for mining structures and equipment. SWEPCo uses either the straight-line method or the units-of-production method to amortize mine development costs and deplete coal rights based on estimated recoverable tonnages. SWEPCo includes these costs in fuel expense.

For regulated operations, the composite depreciation rate generally includes a component for non-ARO removal costs, which is credited to Accumulated Depreciation and Amortization on the balance sheets. Actual removal costs incurred are charged to Accumulated Depreciation and Amortization. Any excess of accrued non-ARO removal costs over actual removal costs incurred is reclassified from Accumulated Depreciation and Amortization and reflected as a regulatory liability. For nonregulated operations, non-ARO removal costs are expensed as incurred.

Asset Retirement Obligations (Applies to all Registrants except AEPTCo)

The Registrants record ARO in accordance with the accounting guidance for “Asset Retirement and Environmental Obligations” for legal obligations for asbestos removal and for the retirement of certain ash disposal facilities, wind farms, solar farms and certain coal mining facilities. I&M records ARO for the decommissioning of the Cook Plant. The Registrants have identified, but not recognized, ARO liabilities related to electric transmission and distribution assets as a result of certain easements on property on which assets are owned. Generally, such easements are perpetual and require only the retirement and removal of assets upon the cessation of the property’s use. The retirement obligation is not estimable for such easements since the Registrants plan to use their facilities indefinitely. The retirement obligation would only be recognized if and when the Registrants abandon or cease the use of specific easements, which is not expected.

As of December 31, 2019 and 2018, I&M’s ARO liability for nuclear decommissioning of the Cook Plant was \$1.73 billion and \$1.66 billion, respectively. These liabilities are reflected in Asset Retirement Obligations on I&M’s balance sheets. As of December 31, 2019 and 2018, the fair value of I&M’s assets that are legally restricted for purposes of settling decommissioning liabilities totaled \$2.65 billion and \$2.16 billion, respectively. These assets are included in Spent Nuclear Fuel and Decommissioning Trusts on I&M’s balance sheets.

The following is a reconciliation of the 2019 and 2018 aggregate carrying amounts of ARO by Registrant:

| Company | ARO as of December 31, 2018 | Accretion Expense | Liabilities Incurred | Liabilities Settled | Revisions in Cash Flow Estimates (a) | ARO as of December 31, 2019 |
|------------------|-----------------------------------|----------------------|-------------------------|------------------------|--|-----------------------------------|
| (in millions) | | | | | | |
| AEP (b)(c)(d)(e) | \$ 2,355.5 | \$ 102.5 | \$ 12.0 | \$ (118.1) | \$ 67.0 | \$ 2,418.9 |
| AEP Texas (b)(e) | 27.9 | 1.3 | — | (0.2) | 0.1 | 29.1 |
| APCo (b)(e) | 116.1 | 5.9 | — | (17.6) | 6.7 | 111.1 |
| I&M (b)(c)(e) | 1,681.3 | 67.4 | — | (0.2) | 0.1 | 1,748.6 |
| OPCo (e) | 1.8 | 0.1 | — | (0.3) | 0.2 | 1.8 |
| PSO (b)(e) | 46.9 | 3.1 | — | (0.4) | 2.6 | 52.2 |
| SWEPCo (b)(d)(e) | 206.8 | 10.3 | — | (11.8) | 6.9 | 212.2 |

| Company | ARO as of December 31, 2017 | Accretion Expense | Liabilities Incurred | Liabilities Settled | Revisions in Cash Flow Estimates (a) | ARO as of December 31, 2018 |
|------------------|-----------------------------------|----------------------|-------------------------|------------------------|--|-----------------------------------|
| (in millions) | | | | | | |
| AEP (b)(c)(d)(e) | \$ 2,005.7 | \$ 93.7 | \$ 0.8 | \$ (87.0) | \$ 342.3 (f) | \$ 2,355.5 |
| AEP Texas (b)(e) | 26.7 | 1.2 | — | (0.1) | 0.1 | 27.9 |
| APCo (b)(e) | 125.0 | 6.6 | — | (17.3) | 1.8 | 116.1 |
| I&M (b)(c)(e) | 1,321.8 | 58.7 | — | (0.2) | 301.0 (f) | 1,681.3 |
| OPCo (e) | 1.7 | 0.1 | — | — | — | 1.8 |
| PSO (b)(e) | 54.0 | 3.2 | — | (0.4) | (9.9) | 46.9 |
| SWEPCo (b)(d)(e) | 169.2 | 9.1 | 0.2 | (11.7) | 40.0 | 206.8 |

- (a) Primarily related to ash ponds, landfills and mine reclamation, generally due to changes in estimated closure area, volumes and/or unit costs
- (b) Includes ARO related to ash disposal facilities.
- (c) Includes ARO related to nuclear decommissioning costs for the Cook Plant of \$1.73 billion and \$1.66 billion as of December 31, 2019 and 2018, respectively
- (d) Includes ARO related to Sabine and DHLCC
- (e) Includes ARO related to asbestos removal
- (f) Revision for Cook Plant related to a new third-party study, which impacted the ARO liability for changes of estimated cash flows and application of a new discount rate

Allowance for Funds Used During Construction and Interest Capitalization

The Registrants' amounts of Allowance for Equity Funds Used During Construction are summarized in the following table:

| Company | Years Ended December 31, | | |
|-----------|--------------------------|----------|---------|
| | 2019 | 2018 | 2017 |
| | (in millions) | | |
| AEP | \$ 168.4 | \$ 132.5 | \$ 93.7 |
| AEP Texas | 15.2 | 20.0 | 6.8 |
| AEPTCo | 84.3 | 70.6 | 49.0 |
| APCo | 16.6 | 13.2 | 9.2 |
| I&M | 19.4 | 11.9 | 11.1 |
| OPCo | 18.2 | 9.8 | 6.4 |
| PSO | 2.7 | 0.4 | 0.5 |
| SWEPCo | 6.8 | 6.0 | 2.4 |

The Registrants' amounts of allowance for borrowed funds used during construction, including capitalized interest, are summarized in the following table:

| Company | Years Ended December 31, | | |
|-----------|--------------------------|---------|---------|
| | 2019 | 2018 | 2017 |
| | (in millions) | | |
| AEP | \$ 88.7 | \$ 73.6 | \$ 48.6 |
| AEP Texas | 20.0 | 18.4 | 6.8 |
| AEPTCo | 32.2 | 26.1 | 20.2 |
| APCo | 9.3 | 8.4 | 5.3 |
| I&M | 8.9 | 7.4 | 6.7 |
| OPCo | 6.7 | 5.8 | 3.8 |
| PSO | 1.9 | 0.9 | 1.1 |
| SWEPCo | 4.0 | 4.8 | 2.1 |

Jointly-owned Electric Facilities (Applies to AEP, AEP Texas, I&M, PSO and SWEPCo)

The Registrants have electric facilities that are jointly-owned with affiliated and nonaffiliated companies. Using its own financing, each participating company is obligated to pay its share of the costs of these jointly-owned facilities in the same proportion as its ownership interest. Each Registrant's proportionate share of the operating costs associated with these facilities is included in its statements of income and the investments and accumulated depreciation are reflected in its balance sheets under Property, Plant and Equipment as follows:

| | | | Registrant's Share as of December 31, 2019 | | |
|--|----------------------|--------------------------|--|--------------------------|-------------------|
| Fuel Type | Percent of Ownership | Utility Plant in Service | Construction Work in Progress | Accumulated Depreciation | |
| (in millions) | | | | | |
| <u>AEP</u> | | | | | |
| Conesville Generating Station, Unit 4 (a)(h) | Coal | 83.5% | \$ — | \$ — | \$ — |
| Dolet Hills Power Station, Unit 1 (f) | Lignite | 40.2% | 337.3 | 6.2 | 216.5 |
| Flint Creek Generating Station, Unit 1 (g) | Coal | 50.0% | 374.3 | 3.4 | 101.1 |
| Pirkey Generating Station, Unit 1 (g) | Lignite | 85.9% | 607.8 | 7.7 | 416.8 |
| Oklahoma Power Station (e) | Coal | 70.3% | 106.6 | 0.1 | 91.7 |
| Turk Generating Plant (g) | Coal | 73.3% | 1,593.3 | 1.7 | 225.8 |
| Total | | | \$ 3,019.3 | \$ 19.1 | \$ 1,051.9 |
| <u>AEP Texas</u> | | | | | |
| Oklahoma Power Station (e) | Coal | 54.7% | \$ 351.7 | \$ — | \$ 291.9 |
| <u>I&M</u> | | | | | |
| Rockport Generating Plant (b)(c)(d) | Coal | 50.0% | \$ 1,114.2 | \$ 105.5 | \$ 586.2 |
| <u>PSO</u> | | | | | |
| Oklahoma Power Station (e) | Coal | 15.6% | \$ 106.6 | \$ 0.1 | \$ 91.7 |
| <u>SWEPCo</u> | | | | | |
| Dolet Hills Power Station, Unit 1 (f) | Lignite | 40.2% | \$ 337.3 | \$ 6.2 | \$ 216.5 |
| Flint Creek Generating Station, Unit 1 (g) | Coal | 50.0% | 374.3 | 3.4 | 101.1 |
| Pirkey Generating Station, Unit 1 (g) | Lignite | 85.9% | 607.8 | 7.7 | 416.8 |
| Turk Generating Plant (g) | Coal | 73.3% | 1,593.3 | 1.7 | 225.8 |
| Total | | | \$ 2,912.7 | \$ 19.0 | \$ 960.2 |

| | | | Registrant's Share as of December 31, 2018 | | |
|--|-----------|----------------------|--|-------------------------------|--------------------------|
| | Fuel Type | Percent of Ownership | Utility Plant in Service | Construction Work in Progress | Accumulated Depreciation |
| (in millions) | | | | | |
| <u>AEP</u> | | | | | |
| Conesville Generating Station, Unit 4 (a)(h) | Coal | 83.5% | \$ 16.4 | \$ 0.2 | \$ 2.4 |
| Dolet Hills Power Station, Unit 1 (f) | Lignite | 40.2% | 336.2 | 5.1 | 209.6 |
| Flint Creek Generating Station, Unit 1 (g) | Coal | 50.0% | 375.1 | 1.6 | 88.9 |
| Pirkey Generating Station, Unit 1 (g) | Lignite | 85.9% | 591.3 | 16.6 | 418.0 |
| Oklahoma Power Station (e) | Coal | 70.3% | 106.4 | — | 67.8 |
| Turk Generating Plant (g) | Coal | 73.3% | 1,590.5 | 1.1 | 197.5 |
| Total | | | \$ 3,015.9 | \$ 24.6 | \$ 984.2 |
| <u>AEP Texas</u> | | | | | |
| Oklahoma Power Station (e) | Coal | 54.7% | \$ 352.1 | \$ 0.2 | \$ 218.6 |
| <u>I&M</u> | | | | | |
| Rockport Generating Plant (b)(c)(d) | Coal | 50.0% | \$ 1,108.7 | \$ 50.2 | \$ 514.1 |
| <u>PSO</u> | | | | | |
| Oklahoma Power Station (e) | Coal | 15.6% | \$ 106.4 | \$ — | \$ 67.8 |
| <u>SWEPCo</u> | | | | | |
| Dolet Hills Power Station, Unit 1 (f) | Lignite | 40.2% | \$ 336.2 | \$ 5.1 | \$ 209.6 |
| Flint Creek Generating Station, Unit 1 (g) | Coal | 50.0% | 375.1 | 1.6 | 88.9 |
| Pirkey Generating Station, Unit 1 (g) | Lignite | 85.9% | 591.3 | 16.6 | 418.0 |
| Turk Generating Plant (g) | Coal | 73.3% | 1,590.5 | 1.1 | 197.5 |
| Total | | | \$ 2,893.1 | \$ 24.4 | \$ 914.0 |

- (a) Operated by AGR
(b) Operated by I&M
(c) Amounts include I&M's 50% ownership of both Unit 1 and capital additions for Unit 2. Unit 2 is subject to an operating lease with a nonaffiliated company. See the "Rockport Lease" section of Note 13.
(d) AEGCo owns 50% of Unit 1 with I&M and 50% of capital additions for Unit 2.
(e) Operated by PSO, which owns 15.6%. Also jointly-owned (54.7%) by AEP Texas and various nonaffiliated companies.
(f) Operated by CLECO, a nonaffiliated company.
(g) Operated by SWEPCo.
(h) Conesville Generating Station, Unit 4 was impaired as of December 31, 2019. See the "Impairments" section of Note 7.

19. GOODWILL

The disclosure in this note applies to AEP only.

The changes in AEP's carrying amount of goodwill for the years ended December 31, 2019 and 2018 by operating segment are as follows:

| | Corporate and Other | Generation & Marketing (in millions) | AEP Consolidated |
|--|--------------------------------|---|-------------------------|
| Balance as of December 31, 2017 | \$ 37.1 | \$ 15.4 | \$ 52.5 |
| Impairment Losses | — | — | — |
| Balance as of December 31, 2018 | 37.1 | 15.4 | 52.5 |
| Impairment Losses | — | — | — |
| Balance as of December 31, 2019 | <u>\$ 37.1</u> | <u>\$ 15.4</u> | <u>\$ 52.5</u> |

In the fourth quarters of 2019 and 2018, annual impairment tests were performed. The fair values of the reporting units with goodwill were estimated using cash flow projections and other market value indicators. There were no goodwill impairment losses. AEP does not have any accumulated impairment on existing goodwill.

20. REVENUE FROM CONTRACTS WITH CUSTOMERS

The disclosures in this note apply to all Registrants, unless indicated otherwise.

Disaggregated Revenues from Contracts with Customers

The table below represents AEP's reportable segment revenues from contracts with customers, net of respective provisions for refund, by type of revenue:

| | Year Ended December 31, 2019 | | | | | | |
|--|---------------------------------------|---|-------------------------------|---------------------------|------------------------|----------------------------|---------------------|
| | Vertically Integrated Utilities | Transmission and Distribution Utilities | AEP Transmission Holdco | Generation & Marketing | Corporate and Other | Reconciling Adjustments | AEP Consolidated |
| | (in millions) | | | | | | |
| Retail Revenues: | | | | | | | |
| Residential Revenues | \$ 3,643.7 | \$ 2,069.9 | \$ — | \$ — | \$ — | \$ — | \$ 5,713.6 |
| Commercial Revenues | 2,155.3 | 1,152.9 | — | — | — | — | 3,308.2 |
| Industrial Revenues | 2,179.0 | 429.1 | — | — | — | (0.9) | 2,607.2 |
| Other Retail Revenues | 179.1 | 43.8 | — | — | — | — | 222.9 |
| Total Retail Revenues | 8,157.1 | 3,695.7 | — | — | — | (0.9) | 11,851.9 |
| Wholesale and Competitive Retail Revenues: | | | | | | | |
| Generation Revenues (b) | 807.6 | — | — | 254.8 | — | — | 1,062.4 |
| Transmission Revenues (a) | 292.1 | 435.1 | 1,077.2 | — | — | (825.0) | 979.4 |
| Renewable Generation Revenues (c) | — | — | — | 57.3 | — | — | 57.3 |
| Retail, Trading and Marketing Revenues (b) | — | — | — | 1,480.7 | — | (135.6) | 1,345.1 |
| Total Wholesale and Competitive Retail Revenues | 1,099.7 | 435.1 | 1,077.2 | 1,792.8 | — | (960.6) | 3,444.2 |
| Other Revenues from Contracts with Customers (c) | 168.2 | 169.4 | 16.6 | 4.9 | 104.7 | (147.1) | 316.7 |
| Total Revenues from Contracts with Customers | 9,425.0 | 4,300.2 | 1,093.8 | 1,797.7 | 104.7 | (1,108.6) | 15,612.8 |
| Other Revenues: | | | | | | | |
| Alternative Revenues (c) | (57.9) | 32.3 | (20.6) | — | — | (66.9) | (113.1) |
| Other Revenues (c) | — | 150.0 | — | 59.9 | (8.9) | (139.3) | 61.7 |
| Total Other Revenues | (57.9) | 182.3 | (20.6) | 59.9 | (8.9) | (206.2) | (51.4) |
| Total Revenues | \$ 9,367.1 | \$ 4,482.5 | \$ 1,073.2 | \$ 1,857.6 | \$ 95.8 | \$ (1,314.8) | \$ 15,561.4 |

(a) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEP Transmission Holdco was \$794 million. The remaining affiliated amounts were immaterial.

(b) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for Generation & Marketing was \$136 million. The remaining affiliated amounts were immaterial.

(c) Amounts include affiliated and nonaffiliated revenues.

| | Year Ended December 31, 2018 | | | | | | |
|--|---------------------------------------|---|-------------------------------|---------------------------|------------------------|----------------------------|---------------------|
| | Vertically Integrated Utilities | Transmission and Distribution Utilities | AEP Transmission Holdco | Generation & Marketing | Corporate and Other | Reconciling Adjustments | AEP Consolidated |
| | (in millions) | | | | | | |
| Retail Revenues: | | | | | | | |
| Residential Revenues | \$ 3,751.8 | \$ 2,189.4 | \$ — | \$ — | \$ — | \$ — | \$ 5,941.2 |
| Commercial Revenues | 2,183.4 | 1,251.7 | — | — | — | — | 3,435.1 |
| Industrial Revenues | 2,212.8 | 512.5 | — | — | — | — | 2,725.3 |
| Other Retail Revenues | 183.5 | 42.7 | — | — | — | — | 226.2 |
| Total Retail Revenues (a) | 8,331.5 | 3,996.3 | — | — | — | — | 12,327.8 |
| Wholesale and Competitive Retail Revenues: | | | | | | | |
| Generation Revenues (d) | 899.8 | — | — | 423.7 | — | (7.3) (e) | 1,316.2 |
| Transmission Revenues (b) | 282.2 | 372.1 | 849.3 | — | — | (737.1) | 766.5 |
| Renewable Generation Revenues (d) | — | — | — | 50.8 | — | — | 50.8 |
| Retail, Trading and Marketing Revenues (c) | — | — | — | 1,422.9 | — | (120.7) | 1,302.2 |
| Total Wholesale and Competitive Retail Revenues | 1,182.0 | 372.1 | 849.3 | 1,897.4 | — | (865.1) | 3,435.7 |
| Other Revenues from Contracts with Customers (d) | 158.4 | 204.6 | 15.2 | 20.6 | 86.2 | (32.0) | 453.0 |
| Total Revenues from Contracts with Customers | 9,671.9 | 4,573.0 | 864.5 | 1,918.0 | 86.2 | (897.1) | 16,216.5 |
| Other Revenues: | | | | | | | |
| Alternative Revenues (d) | (15.9) | (22.2) | (60.4) | — | — | 52.7 | (45.8) |
| Other Revenues (d) | (10.5) | 102.3 | — | 22.3 | 8.9 | (98.0) (e) | 25.0 |
| Total Other Revenues | (26.4) | 80.1 | (60.4) | 22.3 | 8.9 | (45.3) | (20.8) |
| Total Revenues | \$ 9,645.5 | \$ 4,653.1 | \$ 804.1 | \$ 1,940.3 | \$ 95.1 | \$ (942.4) | \$ 16,195.7 |

- (a) 2018 amounts have been revised to reflect the reclassification of certain customer accounts between Retail classes. This reclassification did not impact previously reported Total Retail Revenues. Management concluded that these prior period disclosure only errors were immaterial individually and in the aggregate.
- (b) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEP Transmission Holdco was \$643 million. The remaining affiliated amounts were immaterial.
- (c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for Generation & Marketing was \$121 million. The remaining affiliated amounts were immaterial.
- (d) Amounts include affiliated and nonaffiliated revenues.
- (e) 2018 amounts have been revised to reflect the reclassification of \$98 million of affiliated revenues between Generation Revenues and Other Revenues. This reclassification did not impact previously reported Total Revenues. Management concluded that these prior period disclosure only errors were immaterial individually and in the aggregate.

The table below represents revenues from contracts with customers, net of respective provisions for refund, by type of revenue for the Registrant Subsidiaries:

| | Year Ended December 31, 2019 | | | | | | |
|---|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | AEP Texas | AEPTCo | APCo | I&M | OPCo | PSO | SWEPCo |
| | (in millions) | | | | | | |
| Retail Revenues: | | | | | | | |
| Residential Revenues | \$ 571.5 | \$ — | \$ 1,266.9 | \$ 730.0 | \$ 1,502.0 | \$ 650.2 | \$ 638.6 |
| Commercial Revenues | 411.5 | — | 559.9 | 494.2 | 738.5 | 388.5 | 485.4 |
| Industrial Revenues | 129.4 | — | 592.2 | 550.7 | 299.9 | 303.5 | 338.7 |
| Other Retail Revenues | 29.9 | — | 75.2 | 7.3 | 13.1 | 81.6 | 9.0 |
| Total Retail Revenues | 1,142.3 | — | 2,494.2 | 1,782.2 | 2,553.5 | 1,423.8 | 1,471.7 |
| Wholesale Revenues: | | | | | | | |
| Generation Revenues (a) | — | — | 251.5 | 402.4 | — | 39.5 | 194.7 |
| Transmission Revenues (b) | 379.2 | 1,025.5 | 103.6 | 25.1 | 56.0 | 27.5 | 106.7 |
| Total Wholesale Revenues | 379.2 | 1,025.5 | 355.1 | 427.5 | 56.0 | 67.0 | 301.4 |
| Other Revenues from Contracts with Customers (c) | 30.1 | 16.6 | 61.8 | 98.4 | 139.3 | 22.0 | 26.1 |
| Total Revenues from Contracts with Customers | 1,551.6 | 1,042.1 | 2,911.1 | 2,308.1 | 2,748.8 | 1,512.8 | 1,799.2 |
| Other Revenues: | | | | | | | |
| Alternative Revenues (d) | 0.6 | (20.7) | 13.6 | (1.4) | 31.7 | (31.0) | (48.3) |
| Other Revenues (d) | 157.1 | — | — | — | 17.1 | — | — |
| Total Other Revenues | 157.7 | (20.7) | 13.6 | (1.4) | 48.8 | (31.0) | (48.3) |
| Total Revenues | \$ 1,709.3 | \$ 1,021.4 | \$ 2,924.7 | \$ 2,306.7 | \$ 2,797.6 | \$ 1,481.8 | \$ 1,750.9 |

- (a) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for APCo was \$129 million primarily relating to the PPA with KGPCo. The remaining affiliated amounts were immaterial.
- (b) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEPTCo was \$782 million. The remaining affiliated amounts were immaterial.
- (c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for I&M was \$73 million primarily relating to the barging, urea transloading and other transportation services. The remaining affiliated amounts were immaterial.
- (d) Amounts include affiliated and nonaffiliated revenues.

| | Year Ended December 31, 2018 | | | | | | |
|---|------------------------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | AEP Texas | AEPTCo | APCo | I&M | OPCo | PSO | SWEPCo |
| | (in millions) | | | | | | |
| Retail Revenues: | | | | | | | |
| Residential Revenues | \$ 578.9 | \$ — | \$ 1,342.7 | \$ 730.0 | \$ 1,611.6 | \$ 659.0 | \$ 641.6 |
| Commercial Revenues | 414.7 | — | 580.4 | 485.0 | 835.6 | 394.2 | 483.9 |
| Industrial Revenues | 128.0 | — | 604.3 | 565.6 | 385.2 | 304.0 | 333.7 |
| Other Retail Revenues | 29.4 | — | 77.4 | 7.2 | 12.9 | 83.6 | 8.6 |
| Total Retail Revenues (a) | 1,151.0 | — | 2,604.8 | 1,787.8 | 2,845.3 | 1,440.8 | 1,467.8 |
| Wholesale Revenues: | | | | | | | |
| Generation Revenues (b) | — | — | 250.4 | 470.5 | — | 36.3 | 216.8 |
| Transmission Revenues (c) | 313.4 | 816.9 | 82.7 | 23.1 | 58.5 | 40.2 | 108.4 |
| Total Wholesale Revenues | 313.4 | 816.9 | 333.1 | 493.6 | 58.5 | 76.5 | 325.2 |
| Other Revenues from Contracts with Customers (d) | 28.6 | 15.1 | 55.3 | 99.6 | 176.1 | 19.1 | 24.0 |
| Total Revenues from Contracts with Customers | 1,493.0 | 832.0 | 2,993.2 | 2,381.0 | 3,079.9 | 1,536.4 | 1,817.0 |
| Other Revenues: | | | | | | | |
| Alternative Revenues (e) | (1.3) | (55.9) | (23.8) | (2.1) | (20.8) | 10.9 | 4.9 |
| Other Revenues (e) | 103.6 | — | (1.9) | (8.2) | 4.3 | — | — |
| Total Other Revenues | 102.3 | (55.9) | (25.7) | (10.3) | (16.5) | 10.9 | 4.9 |
| Total Revenues | \$ 1,595.3 | \$ 776.1 | \$ 2,967.5 | \$ 2,370.7 | \$ 3,063.4 | \$ 1,547.3 | \$ 1,821.9 |

- (a) 2018 amounts have been revised to reflect the reclassification of certain customer accounts between Retail classes. This reclassification did not impact previously reported Total Retail Revenues. Management concluded that these prior period disclosure only errors were immaterial individually and in the aggregate.
- (b) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for APCo was \$134 million primarily relating to the PPA with KGPCo. The remaining affiliated amounts were immaterial.
- (c) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for AEPTCo was \$646 million. The remaining affiliated amounts were immaterial.
- (d) Amounts include affiliated and nonaffiliated revenues. The affiliated revenue for I&M was \$70 million primarily relating to the barging, urea transloading and other transportation services. The remaining affiliated amounts were immaterial.
- (e) Amounts include affiliated and nonaffiliated revenues.

Performance Obligations

AEP has performance obligations as part of its normal course of business. A performance obligation is a promise to transfer a distinct good or service, or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to a customer. The invoice practical expedient within the accounting guidance for "Revenue from Contracts with Customers" allows for the recognition of revenue from performance obligations in the amount of consideration to which there is a right to invoice the customer and when the amount for which there is a right to invoice corresponds directly to the value transferred to the customer.

The purpose of the invoice practical expedient is to depict an entity's measure of progress toward completion of the performance obligation within a contract and can only be applied to performance obligations that are satisfied over time and when the invoice is representative of services provided to date. AEP subsidiaries elected to apply the invoice practical expedient to recognize revenue for performance obligations satisfied over time as the invoices from the respective revenue streams are representative of services or goods provided to date to the customer. Performance obligations for AEP's subsidiaries are summarized as follows:

Retail Revenues

AEP's subsidiaries within the Vertically Integrated Utilities and Transmission and Distribution Utilities segments have performance obligations to generate, transmit and distribute electricity for sale to rate-regulated retail customers. The performance obligation to deliver electricity is satisfied over time as the customer simultaneously receives and consumes the benefits provided. Revenues are variable as they are subject to the customer's usage requirements.

Rate-regulated retail customers typically have the right to discontinue receiving service at will, therefore these contracts between AEP's subsidiaries and their customers for rate-regulated services are generally limited to the services requested and received to date for such arrangements. Retail customers are generally billed on a monthly basis, and payment is typically due within 15 to 20 days after the issuance of the invoice. Payments from Retail Electric Providers are due to AEP Texas within 35 days.

Wholesale Revenues - Generation

AEP's subsidiaries within the Vertically Integrated Utilities and Generation & Marketing segments have performance obligations to sell electricity to wholesale customers from generation assets in PJM, SPP and ERCOT. The performance obligation to deliver electricity from generation assets is satisfied over time as the customer simultaneously receives and consumes the benefits provided. Wholesale generation revenues are variable as they are subject to the customer's usage requirements.

AEP's subsidiaries within the Vertically Integrated Utilities and Generation & Marketing segments also have performance obligations to stand ready in order to promote grid reliability. Stand ready services are sold into PJM's RPM capacity market. RPM entails a base auction and at least three incremental auctions for a specific PJM delivery year, with the incremental auctions spanning three years. The performance obligation to stand ready is satisfied over time and the consideration for which is variable until the occurrence of the final incremental auction, at which point the performance obligation becomes fixed.

Payments from the RTO for stand ready services are typically received within one week from the issuance of the invoice, which is typically issued weekly. Gross margin resulting from generation sales within the Vertically Integrated Utilities segment are primarily subject to margin sharing agreements with customers and vary by state, where the revenues are reflected gross in the disaggregated revenues tables above.

APCo has a performance obligation to supply wholesale electricity to KGPCo through a PPA. The FERC regulates the cost-based wholesale power transactions between APCo and KGPCo. The purchased power agreement includes a component for the recovery of transmission costs under the FERC OATT. The transmission cost component of purchased power is cost-based and regulated by the Tennessee Regulatory Authority. APCo's performance obligation under the purchased power agreement is satisfied over time as KGPCo simultaneously receives and consumes the wholesale electricity. APCo's revenues from the purchased power agreement are presented within the Generation Revenues line in the disaggregated revenues tables above.

Wholesale Revenues - Transmission

AEP's subsidiaries within the Vertically Integrated Utilities, Transmission and Distribution Utilities and AEP Transmission Holdco segments have performance obligations to transmit electricity to wholesale customers through assets owned and operated by AEP subsidiaries. The performance obligation to provide transmission services in PJM, SPP and ERCOT encompass a time frame greater than a year, where the performance obligation within each RTO is partially fixed for a period of one year or less. Payments from the RTO for transmission services are typically received within one week from the issuance of the invoice, which is issued monthly for SPP and ERCOT and weekly for PJM.

AEP subsidiaries within the PJM and SPP regions collect revenues through transmission formula rates. The FERC-approved rates establish the annual transmission revenue requirement (ATTR) and transmission service rates for transmission owners. The formula rates establish rates for a one year period and also include a true-up calculation for

the prior year's billings, allowing for over/under-recovery of the transmission owner's ATRR. The annual true-ups meet the definition of alternative revenues in accordance with the accounting guidance for "Regulated Operations," and are therefore presented as such in the disaggregated revenues tables above. AEP subsidiaries within the ERCOT region collect revenues through a combination of base rates and interim Transmission Costs of Services filings that are approved by the PUCT.

APCo, I&M, KGPCo, KPCo, OPCo and WPCo (AEP East Companies) are parties to the Transmission Agreement (TA), which defines how transmission costs are allocated among the AEP East Companies on a 12-month average coincident peak basis. PSO, SWEPCo and AEPSC are parties to the Transmission Coordination Agreement (TCA) by and among PSO, SWEPCo and AEPSC, in connection with the operation of the transmission assets of the two AEP utility subsidiaries. AEPTCo is a transmission owner within the PJM and SPP regions providing transmission services to affiliates in accordance with the OATT, TA and TCA. Affiliate revenues as a result of the respective TA and the TCA are reflected as Transmission Revenues in the disaggregated revenues tables above.

Marketing, Competitive Retail and Renewable Revenues

AEP's subsidiaries within the Generation & Marketing segment have performance obligations to deliver electricity to competitive retail and wholesale customers. Performance obligations for marketing, competitive retail and renewable offtake sales are satisfied over time as the customer simultaneously receives and consumes the benefits provided. Revenues are primarily variable as they are subject to customer's usage requirements; however, certain contracts mandate a delivery of a set quantity of electricity at a predetermined price, resulting in a fixed performance obligation.

Payment terms under marketing arrangements typically follow standard Edison Electric Institute and International Swaps and Derivatives Association terms, which call for payment in 20 days. Payments for competitive retail and offtake arrangements for renewable assets range from 15 to 60 days and are dependent on the product sold, location and the creditworthiness of customer. Invoices for marketing arrangements, competitive retail and offtake arrangements for renewable assets are issued monthly.

Fixed Performance Obligations

The following table represents the Registrants' remaining fixed performance obligations satisfied over time as of December 31, 2019. Fixed performance obligations primarily include wholesale transmission services, electricity sales for fixed amounts of energy and stand ready services into PJM's RPM market. The Registrant Subsidiaries amounts shown in the table below include affiliated and nonaffiliated revenues.

| Company | 2020 | 2021-2022 | 2023-2024 | After 2024 | Total |
|---------------|----------|-----------|-----------|------------|------------|
| (in millions) | | | | | |
| AEP | \$ 953.0 | \$ 160.8 | \$ 160.6 | \$ 223.5 | \$ 1,497.9 |
| AEP Texas | 387.0 | — | — | — | 387.0 |
| AEPTCo | 1,090.7 | — | — | — | 1,090.7 |
| APCo | 158.0 | 32.3 | 23.2 | 11.6 | 225.1 |
| I&M | 29.6 | 8.8 | 8.8 | 4.4 | 51.6 |
| OPCo | 61.0 | — | — | — | 61.0 |
| PSO | 11.7 | — | — | — | 11.7 |
| SWEPCo | 30.4 | — | — | — | 30.4 |

Contract Assets and Liabilities

Contract assets are recognized when the Registrants have a right to consideration that is conditional upon the occurrence of an event other than the passage of time, such as future performance under a contract. The Registrants did not have any material contract assets as of December 31, 2019 and 2018.

When the Registrants receive consideration, or such consideration is unconditionally due from a customer prior to transferring goods or services to the customer under the terms of a sales contract, they recognize a contract liability on the balance sheet in the amount of that consideration. Revenue for such consideration is subsequently recognized in the period or periods in which the remaining performance obligations in the contract are satisfied. The Registrants' contract liabilities typically arise from services provided under joint use agreements for utility poles. The Registrants did not have any material contract liabilities as of December 31, 2019 and 2018.

Accounts Receivable from Contracts with Customers

Accounts receivable from contracts with customers are presented on the Registrants' balance sheets within the Accounts Receivable - Customers line item. The Registrants' balances for receivables from contracts that are not recognized in accordance with the accounting guidance for "Revenue from Contracts with Customers" included in Accounts Receivable - Customers were not material as of December 31, 2019 and 2018. See "Securitized Accounts Receivable - AEP Credit" section of Note 14 for additional information.

The following table represents the amount of affiliated accounts receivable from contracts with customers included in Accounts Receivable - Affiliated Companies on the Registrant Subsidiaries' balance sheets:

| Company | Years Ended December 31, | |
|---------|--------------------------|---------|
| | 2019 | 2018 |
| | (in millions) | |
| AEPTCo | \$ 65.9 | \$ 58.6 |
| APCo | 47.3 | 52.5 |
| I&M | 37.1 | 35.3 |
| OPCo | 33.9 | 46.1 |
| PSO | 9.7 | 12.4 |
| SWEPCo | 17.6 | 16.3 |

Contract Costs

Contract costs to obtain or fulfill a contract for AEP subsidiaries within the Generation & Marketing segment are accounted for under the guidance for "Other Assets and Deferred Costs" and presented as a single asset and are neither bifurcated nor reclassified between current and noncurrent assets on the Registrants' balance sheets. Contract costs to acquire a contract are amortized in a manner consistent with the transfer of goods or services to the customer in Other Operation on the Registrants' income statements. The Registrants did not have material contract costs as of December 31, 2019 and 2018.

21. UNAUDITED QUARTERLY FINANCIAL INFORMATION

The disclosures in this note apply to all Registrants unless indicated otherwise.

In management's opinion, the unaudited quarterly information reflects all normal and recurring accruals and adjustments necessary for a fair presentation of the results of operations for interim periods. Quarterly results are not necessarily indicative of a full year's operations because of various factors. The unaudited quarterly financial information for each Registrant is as follows:

| Quarterly Periods Ended: | AEP | AEP Texas | AEPTCo | APCo | I&M | OPCo | PSO | SWEPCo |
|--|---------------|-----------|----------|----------|----------|----------|----------|----------|
| | (in millions) | | | | | | | |
| March 31, 2019 | | | | | | | | |
| Total Revenues | \$ 4,056.8 | \$ 390.7 | \$ 243.5 | \$ 792.8 | \$ 614.3 | \$ 836.8 | \$ 332.8 | \$ 421.1 |
| Operating Income | 788.4 | 70.8 | 141.6 | 152.1 | 115.0 | 162.5 | 20.9 | 54.1 |
| Net Income | 574.1 | 34.4 | 104.3 | 133.7 | 98.9 | 128.0 | 6.2 | 29.0 |
| Earnings Attributable to Common Shareholders | 572.8 | NA | NA | NA | NA | NA | NA | 27.8 |
| June 30, 2019 | | | | | | | | |
| Total Revenues | \$ 3,573.6 | \$ 438.0 | \$ 266.9 | \$ 655.8 | \$ 543.1 | \$ 606.6 | \$ 348.1 | \$ 375.5 |
| Operating Income | 551.0 | 38.7 | 161.0 | 76.9 | 77.9 | 77.1 | 56.6 | 33.0 |
| Net Income | 459.1 | 80.6 | 136.0 | 55.5 | 60.3 | 50.6 | 41.9 | 7.3 |
| Earnings Attributable to Common Shareholders | 461.3 | NA | NA | NA | NA | NA | NA | 6.2 |
| September 30, 2019 | | | | | | | | |
| Total Revenues | \$ 4,315.0 | \$ 489.3 | \$ 259.7 | \$ 755.5 | \$ 611.1 | \$ 710.6 | \$ 493.0 | \$ 545.5 |
| Operating Income | 958.2 | 118.2 | 142.3 | 142.6 | 107.3 | 98.6 | 120.0 | 134.7 |
| Net Income | 733.9 | 77.0 | 107.6 | 104.3 | 88.8 | 69.1 | 100.3 | 111.3 |
| Earnings Attributable to Common Shareholders | 733.5 | NA | NA | NA | NA | NA | NA | 110.5 |
| December 31, 2019 | | | | | | | | |
| Total Revenues | \$ 3,616.0 | \$ 391.3 | \$ 251.3 | \$ 720.6 | \$ 538.2 | \$ 643.6 | \$ 307.9 | \$ 408.8 |
| Operating Income | 294.7 | 4.3 | 122.3 | 25.7 | 40.6 | 63.0 | 1.8 | 33.9 |
| Net Income (Loss) | 152.7 | (13.7) | 91.8 | 12.8 | 21.4 | 49.4 | (10.8) | 14.6 |
| Earnings Attributable to Common Shareholders | 153.5 | NA | NA | NA | NA | NA | NA | 14.1 |

| Quarterly Periods Ended: | AEP | AEP Texas | AEPTCo | APCo | I&M | OPCo | PSO | SWEPCo |
|---|---------------|--------------|----------|----------|----------|----------|----------|----------|
| | (in millions) | | | | | | | |
| March 31, 2018 | | | | | | | | |
| Total Revenues | \$ 4,048.3 | \$ 371.6 | \$ 191.7 | \$ 820.4 | \$ 576.8 | \$ 790.9 | \$ 336.8 | \$ 419.4 |
| Operating Income | 706.0 | 81.8 | 111.1 | 193.0 | 97.4 | 117.3 | 3.9 | 41.6 |
| Net Income (Loss) | 456.7 | 46.8 | 84.1 | 125.5 | 64.2 | 79.6 | (7.2) | 13.4 |
| Earnings Attributable to Common Shareholders | 454.4 | NA | NA | NA | NA | NA | NA | 11.8 |
| June 30, 2018 | | | | | | | | |
| Total Revenues | \$ 4,013.2 | \$ 388.3 | \$ 200.1 | \$ 667.0 | \$ 589.7 | \$ 748.8 | \$ 398.3 | \$ 457.1 |
| Operating Income | 757.0 | 86.2 | 110.5 | 132.6 | 117.4 | 104.4 | 57.2 | 70.5 |
| Net Income | 530.1 | 46.5 | 82.0 | 77.4 | 94.7 | 68.8 | 36.6 | 38.7 |
| Earnings Attributable to Common Shareholders | 528.4 | NA | NA | NA | NA | NA | NA | 37.6 |
| September 30, 2018 | | | | | | | | |
| Total Revenues | \$ 4,333.1 | \$ 433.4 | \$ 194.4 | \$ 762.0 | \$ 629.7 | \$ 778.3 | \$ 481.4 | \$ 535.3 |
| Operating Income | 668.6 | 94.0 | 97.0 | 49.8 | 110.2 | 79.9 | 78.5 | 127.1 |
| Net Income | 579.7 | 57.8 | 78.1 | 87.1 | 72.7 | 88.7 | 60.4 | 89.6 |
| Earnings Attributable to Common Shareholders | 577.6 | NA | NA | NA | NA | NA | NA | 88.2 |
| December 31, 2018 | | | | | | | | |
| Total Revenues | \$ 3,801.1 | \$ 402.0 | \$ 189.9 | \$ 718.1 | \$ 574.5 | \$ 745.4 | \$ 330.8 | \$ 410.1 |
| Operating Income | 551.1 | 84.3 | 91.5 | 108.1 | 52.2 | 118.2 | 2.9 | 38.5 |
| Net Income (Loss) | 364.8 | 60.2 | 71.7 | 77.8 | 29.7 | 88.4 | (6.6) | 10.5 |
| Earnings Attributable to Common Shareholders | 363.4 | NA | NA | NA | NA | NA | NA | 9.6 |

NA Not applicable

AEP

The unaudited quarterly financial information relating to Common Shareholders is as follows:

| | 2019 Quarterly Periods Ended | | | |
|---|------------------------------|----------|--------------|-------------|
| | March 31 | June 30 | September 30 | December 31 |
| Earnings Attributable to AEP Common Shareholders (in millions) | \$ 572.8 | \$ 461.3 | \$ 733.5 | \$ 153.5 |
| Basic Earnings per Share Attributable to AEP Common Shareholders from Continuing Operations (a) | 1.16 | 0.93 | 1.49 | 0.31 |
| Diluted Earnings per Share Attributable to AEP Common Shareholders from Continuing Operations (a) | 1.16 | 0.93 | 1.48 | 0.31 |
| | 2018 Quarterly Periods Ended | | | |
| | March 31 | June 30 | September 30 | December 31 |
| Earnings Attributable to AEP Common Shareholders (in millions) | \$ 454.4 | \$ 528.4 | \$ 577.6 | \$ 363.4 |
| Basic Earnings per Share Attributable to AEP Common Shareholders from Continuing Operations (a) | 0.92 | 1.07 | 1.17 | 0.74 |
| Diluted Earnings per Share Attributable to AEP Common Shareholders from Continuing Operations (a) | 0.92 | 1.07 | 1.17 | 0.74 |

(a) Quarterly Earnings per Share amounts are intended to be stand-alone calculations and are not always additive to full-year amount due to rounding.

Exhibit 21

Subsidiaries of
American Electric Power Company, Inc.
As of December 31, 2019

Each company shown indented is a subsidiary of the company immediately above which is not indented to the same degree. Subsidiaries not indented are directly owned by American Electric Power Company, Inc.

| <u>Name of Company</u> | <u>Location of Incorporation</u> |
|--|----------------------------------|
| American Electric Power Service Corporation | New York |
| AEP Energy Supply LLC | Delaware |
| AEP Clean Energy Resources, LLC | Delaware |
| AEP Generation Resources Inc. | Delaware |
| AEP Renewables, LLC | Delaware |
| AEP Generating Company | Ohio |
| AEP Transmission Holding Company, LLC | Delaware |
| AEP Transmission Company, LLC | Delaware |
| AEP Indiana Michigan Transmission Company, Inc | Indiana |
| AEP Ohio Transmission Company, Inc | Ohio |
| AEP Oklahoma Transmission Company, Inc | Oklahoma |
| AEP West Virginia Transmission Company, Inc | West Virginia |
| AEP Texas Inc. | Delaware |
| AEP Texas Central Transition Funding II LLC | Delaware |
| AEP Texas Central Transition Funding III LLC | Delaware |
| AEP Texas North Generation Company LLC | Delaware |
| AEP Texas Restoration Funding, LLC | Delaware |
| Appalachian Power Company | Virginia |
| Appalachian Consumer Rate Relief Funding LLC | Delaware |
| Indiana Michigan Power Company | Indiana |
| Kentucky Power Company | Kentucky |
| Kingsport Power Company | Virginia |
| Ohio Power Company | Ohio |
| Ohio Valley Electric Corporation | Ohio |
| Indiana-Kentucky Electric Corporation | Indiana |
| Public Service Company of Oklahoma | Oklahoma |
| Southwestern Electric Power Company | Delaware |
| Wheeling Power Company | West Virginia |

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-222068 and 333-221520) and on Form S-8 (Nos. 333-224973, 333-204557, 333-178044) of American Electric Power Company, Inc. of our report dated February 20, 2020 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in the 2019 Annual Report, which is incorporated by reference in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated February 20, 2020 relating to the financial statement schedules, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Columbus, Ohio
February 20, 2020

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (Nos. 333-225325) of AEP Transmission Company, LLC of our report dated February 20, 2020 relating to the financial statements, which appears in the 2019 Annual Report, which is incorporated by reference in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated February 20, 2020 relating to the financial statement schedule, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Columbus, Ohio
February 20, 2020

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-230613) of AEP Texas Inc. of our report dated February 20, 2020 relating to the financial statements, which appears in the 2019 Annual Report, which is incorporated by reference in this Annual Report on Form 10-K.

/s/ PricewaterhouseCoopers LLP

Columbus, Ohio
February 20, 2020

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-225103) of Indiana Michigan Power Company of our report dated February 20, 2020 relating to the financial statements, which appears in the 2019 Annual Report, which is incorporated by reference in this Annual Report on Form 10-K.

/s/ PricewaterhouseCoopers LLP

Columbus, Ohio
February 20, 2020

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-230094) of Ohio Power Company of our report dated February 20, 2020 relating to the financial statements, which appears in the 2019 Annual Report, which is incorporated by reference in this Annual Report on Form 10-K.

/s/ PricewaterhouseCoopers LLP

Columbus, Ohio
February 20, 2020

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-226856) of Southwestern Electric Power Company of our report dated February 20, 2020 relating to the financial statements, which appears in the 2019 Annual Report, which is incorporated by reference in this Annual Report on Form 10-K.

/s/ PricewaterhouseCoopers LLP

Columbus, Ohio
February 20, 2020

Exhibit 24

POWER OF ATTORNEY
AMERICAN ELECTRIC POWER COMPANY, INC.
Annual Report on Form 10-K for the Fiscal Year Ended
December 31, 2019

The undersigned directors of AMERICAN ELECTRIC POWER COMPANY, INC., a New York corporation (the "Company"), do hereby constitute and appoint NICHOLAS K. AKINS, JULIA A. SLOAT and BRIAN X. TIERNEY, and each of them, their attorneys-in-fact and agents, to execute for them, and in their names, and in any and all of their capacities, the Annual Report of the Company on Form 10-K, pursuant to Section 13 of the Securities Exchange Act of 1934, for the fiscal year ended December 31, 2019, and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform every act and thing required or necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF the undersigned have hereunto set their hands this 12th day of February, 2020.

/s/ Nicholas K. Akins
Nicholas K. Akins

/s/ Sandra Beach Lin
Sandra Beach Lin

/s/ David J. Anderson
David J. Anderson

/s/ Margaret M. McCarthy
Margaret M. McCarthy

/s/ J. Barnie Beasley, Jr.
J. Barnie Beasley, Jr.

/s/ Richard C. Notebaert
Richard C. Notebaert

/s/ Ralph D. Crosby, Jr.
Ralph D. Crosby, Jr.

/s/ Lionell L. Nowell, III
Lionel L. Nowell, III

/s/ Art A. Garica
Art A. Garica

/s/ Stephen S. Rasmussen
Stephen S. Rasmussen

/s/ Linda A. Goodspeed
Linda A. Goodspeed

/s/ Oliver G. Richard, III
Oliver G. Richard, III

/s/ Thomas E. Hoaglin
Thomas E. Hoaglin

/s/ Sara Martinez Tucker
Sara Martinez Tucker

Exhibit 24

POWER OF ATTORNEY

AEP TRANSMISSION COMPANY, LLC
Annual Report on Form 10-K for the Fiscal Year Ended
December 31, 2019

The undersigned managers of AEP TRANSMISSION COMPANY, LLC, a Delaware limited liability company (the "Company"), do hereby constitute and appoint NICHOLAS K. AKINS, JULIA A. SLOAT and BRIAN X. TIERNEY, and each of them, their attorneys-in-fact and agents, to execute for them, and in their names, and in any and all of their capacities, the Annual Report of the Company on Form 10-K, pursuant to Section 13 of the Securities Exchange Act of 1934, for the fiscal year ended December 31, 2019, and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform every act and thing required or necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF the undersigned have hereunto set their hands this 13th day of February, 2020.

/s/ Nicholas K. Akins

Nicholas K. Akins

/s/ A. Wade Smith

A. Wade Smith

/s/ David M. Feinberg

David M. Feinberg

/s/ Brian X. Tierney

Brian X. Tierney

/s/ Mark C. McCullough

Mark C. McCullough

Exhibit 24

POWER OF ATTORNEY
Annual Report on Form 10-K for the Fiscal Year Ended
December 31, 2019

The undersigned directors of the following companies (each respectively the "Company")

| <u>Company</u> | <u>State of Incorporation</u> |
|-------------------------------------|-------------------------------|
| AEP Texas Inc. | Delaware |
| Appalachian Power Company | Virginia |
| Ohio Power Company | Ohio |
| Public Service Company of Oklahoma | Oklahoma |
| Southwestern Electric Power Company | Delaware |

do hereby constitute and appoint NICHOLAS K. AKINS, JULIA A. SLOAT and BRIAN X. TIERNEY, and each of them, their attorneys-in-fact and agents, to execute for them, and in their names, and in any and all of their capacities, the Annual Report of the Company on Form 10-K, pursuant to Section 13 of the Securities Exchange Act of 1934, for the fiscal year ended December 31, 2019, and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform every act and thing required or necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF the undersigned have hereunto set their hands this 13th day of February, 2020.

/s/ Nicholas K. Akins
Nicholas K. Akins

/s/ Mark C. McCullough
Mark C. McCullough

/s/ Lisa M. Barton
Lisa M. Barton

/s/ Charles R. Patton
Charles R. Patton

/s/ Paul Chodak, III
Paul Chodak, III

/s/ Brian X. Tierney
Brian X. Tierney

/s/ David M. Feinberg
David M. Feinberg

/s/ Lana L. Hillebrand
Lana L. Hillebrand

Exhibit 24

POWER OF ATTORNEY
Annual Report on Form 10-K for the Fiscal Year Ended
December 31, 2019

The undersigned directors of the following companies (each respectively the "Company")

| <u>Company</u> | <u>State of Incorporation</u> |
|--|-------------------------------|
| AEP Texas Inc. | Delaware |
| Appalachian Power Company | Virginia |
| Ohio Power Company | Ohio |
| Public Service Company of Oklahoma | Oklahoma |
| Southwestern Electric Power Company | Delaware |

do hereby constitute and appoint NICHOLAS K. AKINS, JULIA A. SLOAT and BRIAN X. TIERNEY, and each of them, their attorneys-in-fact and agents, to execute for them, and in their names, and in any and all of their capacities, the Annual Report of the Company on Form 10-K, pursuant to Section 13 of the Securities Exchange Act of 1934, for the fiscal year ended December 31, 2019, and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform every act and thing required or necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF the undersigned have hereunto set their hands this 13th day of February, 2020.

/s/ Nicholas K. Akins
Nicholas K. Akins

/s/ Mark C. McCullough
Mark C. McCullough

/s/ Lisa M. Barton
Lisa M. Barton

/s/ Charles R. Patton
Charles R. Patton

/s/ Paul Chodak, III
Paul Chodak, III

/s/ Brian X. Tierney
Brian X. Tierney

/s/ David M. Feinberg
David M. Feinberg

/s/ Lana L. Hillebrand
Lana L. Hillebrand

Exhibit 24

POWER OF ATTORNEY

INDIANA MICHIGAN POWER COMPANY
Annual Report on Form 10-K for the Fiscal Year Ended
December 31, 2019

The undersigned directors of INDIANA MICHIGAN POWER COMPANY, an Indiana corporation (the "Company"), do hereby constitute and appoint NICHOLAS K. AKINS, JULIA A. SLOAT and BRIAN X. TIERNEY, and each of them, their attorneys-in-fact and agents, to execute for them, and in their names, and in any and all of their capacities, the Annual Report of the Company on Form 10-K, pursuant to Section 13 of the Securities Exchange Act of 1934, for the fiscal year ended December 31, 2019, and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform every act and thing required or necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF the undersigned have hereunto set their hands this 14th day of February, 2020.

/s/ Nicholas K. Akins
Nicholas K. Akins

/s/ David A. Lucas
David A. Lucas

/s/ Lisa M. Barton
Lisa M. Barton

/s/ Mark C. McCullough
Mark C. McCullough

/s/ Nicholas M. Elkins
Nicholas M. Elkins

/s/ Carla E. Simpson
Carla E. Simpson

/s/ David M. Feinberg
David M. Feinberg

/s/ Toby L. Thomas
Toby L. Thomas

/s/ David S. Isaacson
David S. Isaacson

/s/ Brian X. Tierney
Brian X. Tierney

/s/ Marc E. Lewis
Marc E. Lewis

Exhibit 24

POWER OF ATTORNEY
Annual Report on Form 10-K for the Fiscal Year Ended
December 31, 2019

The undersigned directors of the following companies (each respectively the "Company")

| <u>Company</u> | <u>State of Incorporation</u> |
|-------------------------------------|-------------------------------|
| AEP Texas Inc. | Delaware |
| Appalachian Power Company | Virginia |
| Ohio Power Company | Ohio |
| Public Service Company of Oklahoma | Oklahoma |
| Southwestern Electric Power Company | Delaware |

do hereby constitute and appoint NICHOLAS K. AKINS, JULIA A. SLOAT and BRIAN X. TIERNEY, and each of them, their attorneys-in-fact and agents, to execute for them, and in their names, and in any and all of their capacities, the Annual Report of the Company on Form 10-K, pursuant to Section 13 of the Securities Exchange Act of 1934, for the fiscal year ended December 31, 2019, and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform every act and thing required or necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF the undersigned have hereunto set their hands this 13th day of February, 2020.

/s/ Nicholas K. Akins
Nicholas K. Akins

/s/ Mark C. McCullough
Mark C. McCullough

/s/ Lisa M. Barton
Lisa M. Barton

/s/ Charles R. Patton
Charles R. Patton

/s/ Paul Chodak, III
Paul Chodak, III

/s/ Brian X. Tierney
Brian X. Tierney

/s/ David M. Feinberg
David M. Feinberg

/s/ Lana L. Hillebrand
Lana L. Hillebrand

Exhibit 24

POWER OF ATTORNEY
Annual Report on Form 10-K for the Fiscal Year Ended
December 31, 2019

The undersigned directors of the following companies (each respectively the "Company")

| <u>Company</u> | <u>State of Incorporation</u> |
|--|-------------------------------|
| AEP Texas Inc. | Delaware |
| Appalachian Power Company | Virginia |
| Ohio Power Company | Ohio |
| Public Service Company of Oklahoma | Oklahoma |
| Southwestern Electric Power Company | Delaware |

do hereby constitute and appoint NICHOLAS K. AKINS, JULIA A. SLOAT and BRIAN X. TIERNEY, and each of them, their attorneys-in-fact and agents, to execute for them, and in their names, and in any and all of their capacities, the Annual Report of the Company on Form 10-K, pursuant to Section 13 of the Securities Exchange Act of 1934, for the fiscal year ended December 31, 2019, and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform every act and thing required or necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF the undersigned have hereunto set their hands this 13th day of February, 2020.

/s/ Nicholas K. Akins
Nicholas K. Akins

/s/ Mark C. McCullough
Mark C. McCullough

/s/ Lisa M. Barton
Lisa M. Barton

/s/ Charles R. Patton
Charles R. Patton

/s/ Paul Chodak, III
Paul Chodak, III

/s/ Brian X. Tierney
Brian X. Tierney

/s/ David M. Feinberg
David M. Feinberg

/s/ Lana L. Hillebrand
Lana L. Hillebrand

Exhibit 24

POWER OF ATTORNEY
Annual Report on Form 10-K for the Fiscal Year Ended
December 31, 2019

The undersigned directors of the following companies (each respectively the "Company")

| <u>Company</u> | <u>State of Incorporation</u> |
|-------------------------------------|-------------------------------|
| AEP Texas Inc. | Delaware |
| Appalachian Power Company | Virginia |
| Ohio Power Company | Ohio |
| Public Service Company of Oklahoma | Oklahoma |
| Southwestern Electric Power Company | Delaware |

do hereby constitute and appoint NICHOLAS K. AKINS, JULIA A. SLOAT and BRIAN X. TIERNEY, and each of them, their attorneys-in-fact and agents, to execute for them, and in their names, and in any and all of their capacities, the Annual Report of the Company on Form 10-K, pursuant to Section 13 of the Securities Exchange Act of 1934, for the fiscal year ended December 31, 2019, and any and all amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform every act and thing required or necessary to be done, as fully to all intents and purposes as the undersigned might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF the undersigned have hereunto set their hands this 13th day of February, 2020.

/s/ Nicholas K. Akins
Nicholas K. Akins

/s/ Mark C. McCullough
Mark C. McCullough

/s/ Lisa M. Barton
Lisa M. Barton

/s/ Charles R. Patton
Charles R. Patton

/s/ Paul Chodak, III
Paul Chodak, III

/s/ Brian X. Tierney
Brian X. Tierney

/s/ David M. Feinberg
David M. Feinberg

/s/ Lana L. Hillebrand
Lana L. Hillebrand

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Nicholas K. Akins, certify that:

1. I have reviewed this report on Form 10-K of American Electric Power Company, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

By: /s/ Nicholas K. Akins

Nicholas K. Akins
Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Nicholas K. Akins, certify that:

1. I have reviewed this report on Form 10-K of AEP Transmission Company, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

By: /s/ Nicholas K. Akins

Nicholas K. Akins
Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Nicholas K. Akins, certify that:

1. I have reviewed this report on Form 10-K of AEP Texas Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

By: /s/ Nicholas K. Akins

Nicholas K. Akins
Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Nicholas K. Akins, certify that:

1. I have reviewed this report on Form 10-K of Appalachian Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

By: /s/ Nicholas K. Akins

Nicholas K. Akins
Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Nicholas K. Akins, certify that:

1. I have reviewed this report on Form 10-K of Indiana Michigan Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

By: /s/ Nicholas K. Akins

Nicholas K. Akins
Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Nicholas K. Akins, certify that:

1. I have reviewed this report on Form 10-K of Ohio Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

By: /s/ Nicholas K. Akins

Nicholas K. Akins
Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Nicholas K. Akins, certify that:

1. I have reviewed this report on Form 10-K of Public Service Company of Oklahoma;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

By: /s/Nicholas K. Akins

Nicholas K. Akins
Chief Executive Officer

EXHIBIT 31(a)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Nicholas K. Akins, certify that:

1. I have reviewed this report on Form 10-K of Southwestern Electric Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

By: /s/ Nicholas K. Akins

Nicholas K. Akins
Chief Executive Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Brian X. Tierney, certify that:

1. I have reviewed this report on Form 10-K of American Electric Power Company, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

By

/s/ Brian X. Tierney
Brian X. Tierney
Chief Financial Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Brian X. Tierney, certify that:

1. I have reviewed this report on Form 10-K of AEP Transmission Company, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

By

/s/ Brian X. Tierney
Brian X. Tierney
Chief Financial Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Brian X. Tierney, certify that:

1. I have reviewed this report on Form 10-K of AEP Texas Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

By

/s/ Brian X. Tierney
Brian X. Tierney
Chief Financial Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Brian X. Tierney, certify that:

1. I have reviewed this report on Form 10-K of Appalachian Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

By.

/s/ Brian X. Tierney
Brian X. Tierney
Chief Financial Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Brian X. Tierney, certify that:

1. I have reviewed this report on Form 10-K of Indiana Michigan Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

By:

/s/ Brian X. Tierney
Brian X. Tierney
Chief Financial Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Brian X. Tierney, certify that:

1. I have reviewed this report on Form 10-K of Ohio Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

By

/s/ Brian X. Tierney
Brian X. Tierney
Chief Financial Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Brian X. Tierney, certify that:

1. I have reviewed this report on Form 10-K of Public Service Company of Oklahoma;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

By

/s/ Brian X. Tierney
Brian X. Tierney
Chief Financial Officer

EXHIBIT 31(b)
CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Brian X. Tierney, certify that:

1. I have reviewed this report on Form 10-K of Southwestern Electric Power Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of each registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 20, 2020

By

/s/ Brian X. Tierney
Brian X. Tierney
Chief Financial Officer

Exhibit 32(a)

This Certification is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Annual Report of American Electric Power Company, Inc. (the “Company”) on Form 10-K (the “Report”) for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof, I, Nicholas K. Akins, the chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

February 20, 2020

A signed original of this written statement required by Section 906 has been provided to American Electric Power Company, Inc. and will be retained by American Electric Power Company, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(a)

This Certification is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Annual Report of AEP Transmission Company, LLC (the “Company”) on Form 10-K (the “Report”) for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof, I, Nicholas K. Akins, the chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

February 20, 2020

A signed original of this written statement required by Section 906 has been provided to AEP Transmission Company, LLC and will be retained by AEP Transmission Company, LLC and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(a)

This Certification is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Annual Report of AEP Texas Inc. (the "Company") on Form 10-K (the "Report") for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof, I, Nicholas K. Akins, the chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

February 20, 2020

A signed original of this written statement required by Section 906 has been provided to AEP Texas Inc. and will be retained by AEP Texas Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(a)

This Certification is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Annual Report of Appalachian Power Company (the “Company”) on Form 10-K (the “Report”) for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof, I, Nicholas K. Akins, the chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

February 20, 2020

A signed original of this written statement required by Section 906 has been provided to Appalachian Power Company and will be retained by Appalachian Power Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(a)

This Certification is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Annual Report of Indiana Michigan Power Company (the “Company”) on Form 10-K (the “Report”) for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof, I, Nicholas K. Akins, the chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

February 20, 2020

A signed original of this written statement required by Section 906 has been provided to Indiana Michigan Power Company and will be retained by Indiana Michigan Power Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(a)

This Certification is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Annual Report of Ohio Power Company (the “Company”) on Form 10-K (the “Report”) for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof, I, Nicholas K. Akins, the chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

February 20, 2020

A signed original of this written statement required by Section 906 has been provided to Ohio Power Company and will be retained by Ohio Power Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(a)

This Certification is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Annual Report of Public Service Company of Oklahoma (the “Company”) on Form 10-K (the “Report”) for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof, I, Nicholas K. Akins, the chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

February 20, 2020

A signed original of this written statement required by Section 906 has been provided to Public Service Company of Oklahoma and will be retained by Public Service Company of Oklahoma and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(a)

This Certification is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Annual Report of Southwestern Electric Power Company (the “Company”) on Form 10-K (the “Report”) for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof, I, Nicholas K. Akins, the chief executive officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nicholas K. Akins
Nicholas K. Akins
Chief Executive Officer

February 20, 2020

A signed original of this written statement required by Section 906 has been provided to Southwestern Electric Power Company and will be retained by Southwestern Electric Power Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32(b)

This Certification is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. This Certification shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, except as otherwise stated in such filing.

Certification Pursuant to Section 1350 of Chapter 63
of Title 18 of the United States Code

In connection with the Annual Report of American Electric Power Company, Inc. (the “Company”) on Form 10-K (the “Report”) for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof, I, Brian X. Tierney, the chief financial officer of the Company certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, based on my knowledge (i) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Brian X. Tierney
Brian X. Tierney
Chief Financial Officer

February 20, 2020

A signed original of this written statement required by Section 906 has been provided to American Electric Power Company, Inc. and will be retained by American Electric Power Company, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.